Also, a bill (H. R. 10500) granting a pension to Adell O'Neil; to the Committee on Invalid Pensions.

By Mr. MASON: A bill (H. R. 10501) granting an increase of pension to James Buggie; to the Committee on Invalid Pen-

By Mr. McKINLEY: A bill (H. R. 10502) granting a pension to Mertilla Crawford; to the Committee on Invalid Pensions.

By Mr. POLK: A bill (H. R. 10503) granting an increase of pension to Richard G. Paynter; to the Committee on Invalid

Also, a bill (H. R. 10504) granting an increase of pension to

Elijah L. Wyatt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10505) granting an increase of pension to Kendal J. Warrington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10506) granting an increase of pension to

Joshua J. Daisey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10507) granting an increase of pension to

Alfred P. Pepper; to the Committee on Invalid Pensions.
Also, a bill (H. R. 10508) granting an increase of pension to

Joshua S Fisher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10509) granting an increase of pension to

John T. Rogers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10510) granting an increase of pension to

Nathan C. Messick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10511) granting an increase of pension to

John H. Walls; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10512) granting an increase of pension to Joshua J. Workman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10513) granting an increase of pension to

Molten R. Pepper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10514) granting an increase of pension to

John H. Swain; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10515) granting an increase of pension to Zachariah W. McDowell; to the Committee on Invalid Pensions. Also, a bill (H. R. 10516) granting an increase of pension to John J. Morath; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10517) granting an increase of pension to

John W. Rogers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10518) granting an increase of pension to

James P. Leonard; to the Committee on Invalid Pensions
Also, a bill (H. R. 10519) granting an increase of pension to

Henry O. Bennum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10520) granting an increase of pension to

George A. Coverdale; to the Committee on Invalid Pensions. By Mr. WILSON of Illinois: A bill (H. R. 10521) granting an increase of pension to Jefferson O'Hara; to the Committee on Invalid Pensions.

### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of the Missouri State Board of Health, urging the passage of House bill 9563, regarding military rank of Medical Reserve Corps; to the Committee on Military Affairs.

Also (by request), memorial of students of the short course in agriculture, opposing proposed amendment to the farm-loan act, and asking that the law remain as it is; to the Committee on Banking and Currency.

Also (by request), petition of members of the Good Hope Farmers' Club, New Haven, Mo., urging an increase of the minimum price of wheat and other farm products; to the Committee on Agriculture.

Also (by request), petition of 13 women of Middletown, Mo., urging the closing of the breweries for the period of the war; to the Committee on the Judiciary.

Also, a resolution of a Mooney mass meeting, held in Los Angeles, Cal., asking justice for Rena Mooney and Israel Wein-

berg and their associates; to the Committee on the Judiciary.

By Mr. CAREW: Resolutions of the Brooklyn Surgical Society, favoring the bill to give advanced rank to medical officers; to the Committee on Military Affairs.

By Mr. CRAGO: Resolution adopted by Washington Camp, No. 826, Patriotic Sons of America, Carmichaels, Pa., favoring prohibition of the manufacture of intoxicating liquors during the war; to the Committee on the Judiciary.

By Mr. DOOLING: Resolution of the New York Zoological Society, favoring the migratory-bird trenty; to the Committee on Fereign Affairs.

By Mr. FULLER of Illinois: Petition of the National Pharmaceutical Service Association, favoring H. R. 5531, to provide a pharmaceutical corps in the Army; to the Committee on Military Affairs.

Also, petition of Charles Bulfer and other citizens of Peru, Ill., favoring a bill for universal military training; to the Committee on Military Affairs.

Also, memorial of Woman's Association of Commerce of Chicago, Ill., urging equal pay for women workers, etc.; to the Com-

mittee on Labor.

Also, memorial of New York Zoological Society, urging passage of the migratory-bird treaty bill; to the Committee on Agriculture.

Also, petition of Cushman's Automatic Tool Co., of Champaign, Ill., opposing taking the rate-making power from the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce,
By Mr. HILLIARD: Petitions of Jennie Hanlon and Etta

Stangle, of Denver, Colo., praying for the repeal of that section of the war-revenue act providing for increased postage rates on periodicals; to the Committee on Ways and Means,

Also, evidence in support of House bill 6857, for the relief of

Richard A. Schwab; to the Committee on Claims.

By Mr. KAHN: Petition of Ladies' Auxiliary, Connaught Social and Benevolent Association, of San Francisco, Cal., urging a report from committee on joint resolution 204 in regard to Irish freedom, by Miss RANKIN, and open debate on the floor; to the Committee on Foreign Affairs.

By Mr. LINTHICUM: Petition of John H. Harmanson, of Baltimore, Md., opposing the Johnson rent bill; to the Com-

mittee on the District of Columbia.

Also, petition opposing the increased rates on second-class mail matter; to the Committee on Ways and Means.

Also, petition of National Association of Letter Carriers, favoring legislation for permanent increase of pay; to the Committee on the Post Office and Post Roads.

Also, petition of Baltimore Federation of Labor, opposing Borland eight-hour amendment; to the Committee on Agriculture.

Also, petition of Thomas S. Cullen of Baltimore, Md., favoring House bill 9563, giving rank to enlisted surgeons in Medical Reserve Corps; to the Committee on Military Affairs

Also, petition of Baltimore Lodge, No. 70, Loyal Order of Moose, favoring House bill 7364; to the Committee on the Judiciary.

Also, petition of Baltimore (Md.) Branch, United National Association of Post Office Clerks, urging the passage of bill to increase pay of post-office employees; to the Committee on the Post Office and Post Roads.

Also, petition of Charles D. Sullivan, of Baltimore, Md., against the Borland eight-hour law; to the Committee on Agri-

Also, petition of J. T. Wade, president Baltimore County Medical Association, favoring the passage of Senate bill 3748 and House bill 9563; to the Committee on Military Affairs.

By Mr. MERRITT: Petition of the New York Zoological Society, urging the immediate passage of the enabling act providing regulations for the enforcement by the United States of the treaty with Canada for the protection of North American migratory birds; to the Committee on Foreign Affairs.

By Mr. WARD: Petition of members of Woman's Christian Temperance Union, of Port Ewen, N. Y., favoring war pro-

hibition; to the Committee on the Judiciary.

# SENATE.

WEDNESDAY, March 6, 1918.

(Legislative day of Tuesday, March 5, 1918.)

The Senate met at 11 o'clock a. m.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the

The Secretary called the roll, and the following Senators answered to their names:

Jones, Wash. Kendrick Kenyon King Kirby Nugent Phelan Pittman Ransdell Robinson Ashurst Dillingham Smith, Md. Smith, S. C. Smoot Stone Gallinger Gerry Hale Swanson Hardwick Henderson Hollis Johnson, Cal. Johnson, S. Dak. Jones, N. Mex. Lodge McCumber McLean McNary Saulsbury Shafroth Sheppard Sherman Tillman Townsend Underwood Vardaman Myers New Simmons Smith, Ariz.

Mr. McNARY. I desire to announce that my colleague [Mr. CHAMBERLAIN] is absent on account of illness. I will let this announcement stand for the day.

Mr. HOLLIS. I was requested to announce that the junior Senator from Florida [Mr. Trammell], the junior Senator from Kentucky [Mr. Beckham], and the senior Senator from Illinois [Mr. Lewis] are temporarily absent on official business. I also desire to announce that the senior Senator from Kentucky [Mr. James] is detained by illness.

I desire to announce that the Senator from Con-Mr. KING. necticut [Mr. Brandegee] and the Senator from Delaware [Mr. Wolcottl are unavoidably detained on official business.

The PRESIDENT pro tempore. Forty-four Senators have answered to their names. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. France, Mr. McKellar, Mr. Poindexter, and Mr. Suther-LAND answered to their names when called.

Mr. SUTHERLAND. I wish to announce that my colleague, the senior Senator from West Virginia [Mr. Goff], is absent on account of illness.

Mr. Curtis, Mr. Fletcher, Mr. Culberson, Mr. Harding, Mr. BANKHEAD, Mr. WEEKS, Mr. NELSON, Mr. OVERMAN, Mr. REED, Mr. Shields, Mr. Walsh, Mr. Smith of Georgia, Mr. Thomas, and Mr. Sterling entered the Chamber and answered to their

The PRESIDENT pro tempore. Sixty-two Senators have answered to their names. There is a quorum present.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by G. F. Turner, one of its clerks, announced that the Speaker of the House had signed the enrolled bill (H R. 6361) to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war, and it was thereupon signed by the President pro tempore.

### PETITIONS.

Mr. McLEAN presented a petition of Horeb Lodge, No. 25, Independent Order of B'nai Brith, of New Haven; of the Teachers' League, of New Haven; and of sundry citizens of New Haven and Bridgeport, all in the State of Connecticut, praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which were ordered to lie on the

Mr. PHELAN presented a petition of the California State Grange, of Santa Rosa, Cal., praying for the enactment of legislation to provide for Government control and conservation of streams and water supplies, which was referred to the Committee on Commerce.

Mr. SHEPPARD presented a petition of the Discussion Club, of Austin, Tex., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which was ordered to lie on the table.

He also presented a petition of Eagle Tent, No. 2, Independent Order of Rechabites, of Washington, D. C., praying for the enactment of legislation to prohibit the shipment of intoxicating liquors into the District of Columbia, which was referred to the Committee on Post Offices and Post Roads,

### WATER SUPPLY OF SAN DIEGO, CAL,

Mr. PHELAN, from the Committee on Public Lands, to which was referred the bill (S. 3646) to grant rights of way over Government lands for reservoir purposes, for conservation and storage of water to be used by the city of San Diego. Cal., and adjacent communities. reported it with amendments and submitted a report (No. 300) thereon.

## BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows: By Mr. STONE:

A bill (S. 4019) granting a pension to Margaretha Arendes (with accompanying papers); to the Committee on Pensions.

By Mr. TOWNSEND: A bill (S. 4020) to correct the military record of Burton Hubbell (with accompanying papers); to the Committee on Military Affairs.

## By Mr. PITTMAN:

A bill (S. 4021) to authorize the incorporated town of Seward, Alaska, to issue bonds in any sum not exceeding \$25,000 for the purpose of constructing dikes, fiumes, and other works to confine the waters of Lowell Creek for the protection of said town; to the Committee on Territories.

By Mr. PHELAN

A bill (S. 4022) for the relief of James L. Vai (with accompanying papers); to the Committee on Claims.

By Mr. JOHNSON of California:

A bill (S. 4023) amending an act entitled "An act authorizing and directing the Secretary of the Interior to sell to the city of Los Angeles, Cal., certain public lands in California; and

granting rights in, over, and through the Sierra Forest Reserve. the Santa Barbara Forest Reserve, and the San Gabriel Timber-land Reserve, Cal., to the city of Los Angeles, Cal.," approved June 30, 1906; to the Committee on Public Lands.

#### AMENDMENT TO URGENT DEFICIENCY BILL.

Mr. BANKHEAD submitted an amendment proposing to appropriate \$150,000 for war-materials investigations, etc., intended to be proposed by him to the urgent deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

He also submitted an amendment proposing to increase the appropriation for the censorship of the mails from \$300,000 to \$500,000, intended to be proposed by him to the urgent deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

### MISSISSIPPI INDIAN CLAIMS.

Mr. WILLIAMS submitted an amendment intended to be proposed by him to the bill (S. 3948) to authorize the Secretary of the Interior to adjudicate claims covering the expense of removing certain Choctaw Indians from Mississippi to Oklahoma. which was referred to the Committee on Indian Affairs and ordered to be printed.

### AMENDMENT OF THE RULES.

Mr. GORE. Mr. President, I desire to give written notice of an appropriation bill is under consideration, and authorize an amendment thereto, being the joint resolution 132, to increase the price of wheat to \$2.50 a bushel.

The PRESIDING OFFICER. The notice given by the Senator from Oklahoma will be duly entered.

The notice is as follows:

I hereby give notice that when the Agricultural appropriation bill, II. R. 9054, is being considered in the Senate, I shall move to suspend paragraph 3 of Rule XVI, prohibiting the reception of general legislation to any general appropriation bill, in order that I may propose the following amendment, to be inserted at the proper place in said bill as

1. R. 1903. Is being considered in the Senate, I shall move to suspend paragraph 3 of Rule XVI, prohibiting the reception of general legislar paragraph 3 of Rule XVI, prohibiting the reception of general legislar paragraph 3 of Rule XVI, prohibiting the reception of general legislar and paragraph; and proposed the following amendment, to be inserted at the proper place in said bill as a new paragraph; and ontrolling the distribution of roop products and the proposed and the supply, and controlling the distribution of food products and fuel; approved August 10, 1917, be amended to read as follows:

"Sec. 14. That whenever the President shall find that an emergency exists requiring stimulation of the production of wheat and that it is essential that the producers of wheat, produced within the United States grain standards of wheat conditions, is a reasonable given public notice of what, under specified conditions, is a reasonable guaranteed price for wheat, in order to assure such producers a reasonable profit. The President shall thereupon fix such guaranteed price for each of the official grain standards for wheat as established under the United States grain standards act, approved August 11, 1916. The President shall from time to time establish and promulgate such regulations as he shall deem wise in connection with such guaranteed price, and in particular governing conditions of delivery and payment and or the particular governing conditions of delivery and payment and or the local railway market where such wheat is delivered from the farm where produced, adopting No. 1 northern spring or its equivalent as the basis. Thereupon the Government of the United States are that, upon compliance by him with the regulations prescribed, he shall receive for any wheat produced in reliance upon this guarantee within the period, not exceeding 18 months, prescribed in the notice a price not less than the guaranteed price therefor as fixed pursuant to this section, but is hereby made absonate, and such as a such as a such a

### WAR FINANCE CORPORATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes.

The PRESIDENT pro tempore. The pending question is on the amendment of the Senator from Missouri [Mr. REED] to

strike out all of section 8.

Mr. SIMMONS. Mr. President, I am not going to detain the Senate for many minutes. Of course, I take it that every Senator will agree that in the present situation it is highly important that the resources of this country of capital, of labor, and material should be conserved in every possible way in order that the Government may secure the things which are necessary to win the war. That is a conclusion which has been reached as a result of experience by our allies. England started out in this war with the idea that it was not necessary in any way to impose restrictions upon ordinary business, and for a long time no restrictions were imposed, but a situation was created which made it necessary to change that policy. It was discovered that the nonessential industries were absorbing a large part of the capital, were utilizing a large part of the labor and materials of the country, and that the production of these things imposed a heavy burden upon the transportation facilities of the country. As a result it was determined to impose first moderate restrictions upon the use of capital in the production of unnecessary things. That policy has progressed until it can be said that as a general thing no business is permitted to be conducted in Great Britain to-day unless it is thought to be necessary in connection with the war. France has had the same experience.

We were confronted by the same situation, and to meet it the Secretary of the Treasury upon his own initiative organized in the Treasury Department in connection with the Federal Reserve System a committee for the purpose of investigating and passing upon issues for new capital not thought to be necessary or contributory to the war. That policy is being pursued to-day in this country just as it is being pursued in Italy, in France, and in Great Britain. So I take it it may be assumed it is the consensus of opinion as the result of experience in all the allied countries that it is important for the winning of the war that the capital, labor, and materials should be conserved for the purpose of being used by the industries

that are engaged in war work.

Upon its face the British system appears to be a voluntary system, but behind that system is a power which has the force and effectiveness of law. The defense of the realm act in that country invests in the Government broad powers, sufficient to authorize the creation of the commission or board that they have set up. If it has not been created and organized as an official institution it is well known that in a day, at the discretion of the Government, it may be given that sanction. The same thing is true of the French system. There is no such authority in this country. This voluntary committee can not be given official authority except by statutory enactment.

Mr. President, I do not find any opposition, or, if any, but negligible opposition, to the Government exercising through a voluntary committee advisory powers with respect to new cap-

ital issues

Mr. HARDWICK. Mr. President-

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. SIMMONS. Yes. Mr. HARDWICK. This voluntary committee advises the Federal reserve banking system.

Mr. SIMMONS. It advises the public.
Mr. HARDWICK. But it has no possible effect except on the operation of the banks through the reserve system.

Mr. SIMMONS. And on the operation of the investment public, so far as it may be influenced by its findings with respect to the compatibility of the issue with the public interest.

Mr. HARDWICK. Of course, that might have a moral effect,

but I mean it has no financial effect.

Mr. SIMMONS. It has no binding effect; yet to a very large extent its findings have been accepted and acted upon, both by the banks and the investment public, but not as fully, probably, as is desirable. For that reason it is thought necessary that it should be made a legal body and that its action should have the legal force and effect.

As I was saying when interrupted, speaking generally, there seems to be but little objection to a committee such as we now

have, and to what it is doing or the object sought to be accomplished, because its functions are only advisory and its findings are not as effective as is desirable.

Mr. SMITH of Michigan. Mr. President, will the Senator

allow me to ask him a question? Mr. SIMMONS. Yes.

Mr. SMITH of Michigan. The Senator from North Carolina speaks of their disregarding the limitations which are—

Mr. SIMMONS. No; disregarding the findings of this board. As I understand, this board does this: It simply, after making its investigation, advises the banks and the public that a particular issue of capital securities is or is not regarded by it as compatible with the public interest, and its findings ordinarily determine the attitude of the banks and private investors with respect to that issue.

Mr. SMITH of Michigan. Right there let me say to the Senator from North Carolina that in my State and in most of the other States such securities of public utility companies as are issued must first bear the investigation of a State board, and they must be approved by the State authorities before they can be put out at all. When they have been put out, they must have an earning power which justifies their issuance. After you get that far, it is then proposed to arrest the privilege of citizens to make use of such a credit. That is a very drastic power.

Mr. SIMMONS. Mr. President, there are boards of that sort in the several States; they existed in peace times as well as now. Their purpose is to deal with the sufficiency of the security and questions relating to the protection of the investment

market.

Mr. SMITH of Michigan. Yes; and the bona fides of the

corporation.

Mr. SIMMONS. And the bona fides of the corporation. This committee in the Treasury Department does not attempt in any way whatsoever to deal with the question of the bona fides of the issue or of the sufficiency of the security which it may be proposed to emit.

Mr. SMITH of Michigan. I understand that.

Mr. SIMMONS. The committee deals only with the question of whether the operations of the concern proposing to issue the securities are necessary or contributory to the war; that is all.

Mr. SMITH of Michigan. I understand that; and that is a tremendous power to lodge in the hands of any single individual, especially when the authorities of the State have carefully examined the entire matter and approved the plan.

Mr. SIMMONS. It is not the proposition I am addressing

myself to, Mr. President-

The PRESIDENT pro tempore. The Chair has thus far allowed the debate to run along in very informal fashion, but he must hereafter insist that a Senator desiring to interrupt another-Senator who has the floor must first address the Chair.

Mr. SMITH of Michigan. Mr. President, I ask the privilege

of interrupting the Senator from North Carolina.

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Michigan?

Mr. SIMMONS. I yield. Mr. SMITH of Michigan. I shall finish what I have to say in a word. It is merely this, that it is now proposed after a State has found an enterprise to be desirable and wholesome and worthy of credit, that the enterprise must still run the gantlet of a single officer, perhaps, at the Federal Treasury before it can find appropriate standing in the financial markets of the country. I think that is a tremendous power, and if it were to be exercised by a board such as compose the Federal reserve boards, who have knowledge of the local community and its necessities and the needs of the people who apply for assistance, I would not find fault with it at all.

Mr. SIMMONS. It may be wise to encourage many industries in times of peace which should not only not be encouraged but restrained in times of war. I think opinion in the countries at war to-day has finally crystallized in the belief that in order to conserve the capital of the country for war purposes it is essential that unnecessary expenditures should be curtailed and

restricted.

automobile State.

Mr. McCUMBER and Mr. HARDWICK addressed the Chair, The PRESIDENT pro tempore. Does the Senator from North Carolina yield; and if so, to whom?

Mr. SIMMONS. I yield to the Senator from North Dakota.
Mr. McCUMBER. Mr. President, I merely want to make a suggestion to the Senator from North Carolina [Mr. SIMMONS] in answer to the question asked by the Senator from Michigan [Mr. Smith]. We will suppose that in Michigan its people decide that they want to spend \$50,000,000 for good roads in that

Mr. SIMMONS. Yes; or for building a park.
Mr. McCUMBER. That enterprise will take thousands and thousands of men besides millions of dollars that ought to go into war purposes. That might be a splendid thing for Michigan, and, especially in peace times, it would be a splendid thing; but I think that the interests of the Government are such that those charged with carrying on this war should have some voice in deciding whether or not at this time that amount of money should be spent for such a purpose in any State.

Mr. SMITH of Michigan. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Michigan?

Mr. SIMMONS. I do.

Mr. SMITH of Michigan. If the Senator from North Carolina will allow me I desire to say that we do not propose to do what the Senator from North Dakota describes; but suppose a concern wanted to refund an obligation already issued and soon maturing upon a useful enterprise, having the approval of the authorities of the State and having an unquestioned market, is he to be deprived of that privilege and is it to fall by the mere ipse dixit of the head of the Treasury Department? If so, chaos and disorder will surround private business under-

Mr. SIMMONS. Mr. President, do I understand the Senator from Michigan as seriously contending that in the conditions now existing no effort should be made by the Government to

conserve the capital of the country for war purposes?

Mr. SMITH of Michigan. No; Mr. President, I do not want the Senator from North Carolina to get that impression.

Mr. SIMMONS. I think that is the logical conclusion one

would reach from the Senator's argument.

Mr. SMITH of Michigan. I do not want the Senator from North Carolina to get that impression. I want him to get the impression that what I seek to do in the perfection of some relief legislation is to avoid the temptation to favoritism. I am not referring to any particular person or board; I am aiming at possible favoritism and desire the widest possible field in the application of this proposed law.

Mr. HARDWICK. Mr. President—
The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. SIMMONS. Yes; I yield.

Mr. HARDWICK. I merely want to ask the Senator from North Carolina one question, and then I shall be through with this part of the debate. Does the Senator think that it is either right or that it can possibly be lawful for us to pass any sort of a law that will prohibit an individual-I am not now mentioning a corporation-from lending his money to whomsoever he pleases, or from giving it away, or from doing anything else

that he cares to do with it? Mr. SIMMONS. Mr. President, the money that an individual has, the money that the great capitalists of this country have, is as necessary to the winning of the war as is money in the bank; and if the Government, through a well-considered and wise public policy, shall reach the conclusion that the exigencies of the situation require that the money of the country, whether in the hands of the banks or in the hands of individuals, should not be dissipated in being employed in those things that do not contribute to the war, and which are unnecessary at this time, the Government has the right by legislation, indirectly if not directly—and it is by indirection that we seek to accomplish this purpose—to make such provisions as will effectually secure such capital for the purpose in which the Government is engaged, for, in my judgment, the only business of this Government and the only business of the people of this country, whether they be bankers or capitalists, is the winning of this war.

Mr. SMITH of Georgia. Mr. President—
The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. SIMMONS. Yes.

Mr. SMITH of Georgia. The Senator from Michigan [Mr. SMITH | suggested a few moments ago to the Senator from North Carolina that, if this power were put in the Federal Reserve Board, he would not object to that. I only wanted to call his attention to the fact.

Mr. SIMMONS. I did not hear that statement.

Mr. SMITH of Georgia. That, if this power is put in the Reserve Board, three members of that board and two citizens selected by the reserve board will perform the duties. The only reason these two additional members were added was because the view of the Federal Reserve Board was that they would

need additional help.

Mr. SIMMONS. The statement of the Senator from Georgia

is correct.

Mr. SMITH of Michigan. Mr. President—
The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Michigan? Mr. SIMMONS. Yes.

Mr. SMITH of Michigan. Of course, I would not have the Senator from Georgia think that I do not understand how this board is to be composed. When I speak of the Federal reserve bank I refer to the 12 Federal reserve banks, who could appropriately clear these securities through their banks after a well-considered and carefully planned scrutiny; and I think the object desired could be easily attained by an amendment to the Federal reserve bank act, which would obviate much of the

danger which I see in the plan now proposed.

Mr. SIMMONS. Mr. President, the statement has been made repeatedly upon this floor—the Senator from Michigan is not the first one who has uttered it—that this bill proposes to place in the hands of one man the enormous power of regulating the business affairs of this country. I suppose he means place it in the hands of the Secretary of the Treasury. This bill pro-poses no such thing. This bill creates a committee composed of five members, three of them to be members of the Federal Reserve Board and two of them to be outsiders. It is true the Secretary of the Treasury is to be a member of that committee. So is he a member of the Federal Reserve Board; but because the Secretary of the Treasury is a member of the Federal Reserve Board nobody will contend that he controls and dominates the action of that board, and nobody ought to contend that, by reason of his being a member of the committee it is proposed to create by this bill, the power will be lodged in his hands and not in the hands of the committee and that he will dominate its action.

As a matter of fact, I do not suppose the Secretary of the Treasury will to any material extent personally participate in the investigations and the findings of this committee. committee will have to deal with the thousands and tens of thousands of cases that would come before it from every quarter of the country, and it would be impossible for the Secretary of the Treasury, with the great and burdensome duties imposed upon him, to give very much time to these investigations. He would not do it. These questions would be heard and determined and settled by the other four members of that committee

Can we not trust this committee of five men? They will be prominent and distinguished citizens, three of them members of the Federal Reserve Board, who have already shown themselves eminently worthy of the confidence of their countrymen, and the high positions they now occupy certify to their integrity and to their ability and to the confidence of the people of this country in them. I do not believe we need to fear that these gentlemen will be guilty of any act of favoritism or that they will discharge their duty with any purpose whatsoever except the accomplishment of the essential purpose of the legislation itself which is to conserve the capital of the country for financing the Government, our allies, and the industries whose operations are necessary and contributory to the war.

But, Mr. President, I do not wish to take up the time of the Senate discussing the question of whether there ought not to be some governmental authority to regulate and reasonably control the investment of money in things unnecessary to be done during this war; in the production of things which do not contribute to the winning of the war. I think, while there may be objection on the part of some to it for one reason or another, it may reasonably be assumed that the country and the Congress are agreed that that is necessary at this time; at least I do not care further to discuss that question. That was not the purpose of my taking the floor; it was only an incidental statement in connection with the argument that I propose making.

The issue that I understand is presented at this time is whether the capital issue committee which the Secretary of the Treasury has established shall remain a voluntary committee, performing only the functions and duties now imposed upon it by the order of the Secretary of the Treasury, or whether it shall be made an official body, with the sanction and the authority of law behind it. That I understand to be the

I want to say generally that while I think the present arrangement has been to a very considerable extent effective, I do not believe that it has resulted in that full and complete conservation of capital which is to be desired. I believe that it will add very much to the effectiveness of this committee in the accomplishment of the purpose we have in view if it is made a legal body.

Now, as to the powers that should be conferred upon it, that is, of course, a matter for the Senate to consider and determine; but I think we would be shortsighted if we should not invest this committee with great authority, which it now has.

I assume the Secretary of the Treasury would not have asked for this legislation if he had not thought to accomplish the purpose of its creation it should not be confined simply to investigation, suggestion, and advice. The alleged sufficiency of an advisory committee in England does not imply that a committee of similar character and power would be effective in this

There are other circumstances that differentiate that case from ours. England is relatively a small country. As I understand, the whole banking business of England is controlled by about 40 great banking corporations, all dominated by the Bank of England, the fiscal agent of the Government. country we have thousands of independent banking institutions scattered over a territory many, many times greater than that of Great Britain, and a system that might be effective where the whole financial system of the country is controlled by only 40 banks could not reasonably be expected to be as effective in a country with many thousand banks, some under Federal and some under State control, and without centralized control.

I do not wish to pursue that branch of this matter further. It is said that section 8, which imposes penalties for the violation of the decrees, rules, and regulations of the proposed capital issues committee, should be stricken out, because it is said that we ought not to impose penalties for the disregard of the actions of any agency of the Government; that penalties ought to be imposed only for violations of legislative enactments; that penalties ought not to be imposed for the violation of any action of a department or of any rules or regulations of a department of this Government; that the proposi ion contained in this section is a monstrous proposition; that it is an unconstitutional proposition; that it is one never heard of before; and it is one hardly worthy of an autocracy, much less of a republic.

Mr. President, even in peace times Congress has often expressly provided that a violation of the rules and regulations of departmental bureaus should be punished by fine or impris-That was no new thing when this war began this is not the first time that we have indulged in legislation of this character since the war began. Some time ago we created a Food Conservation Commission. What is the object of that Food Conservation Commission. What is the object of that commission? In principle it is the same as sought in the creation of the proposed capital issue committee. This country was confronted by the menace of a food shortage. It was held to be absolutely essential, to enable us to supply our own demands and the demands of our allies for food, that in some way or other we should conserve our food supply and production by minimizing the food consumption of the country. If it was necessary to adopt drastic action in order to conserve food to supply our allies as well as ourselves, is it any the less necessary to adopt drastic action in order to conserve the finances of the country, in order that we may finance ourselves and our allies in the war?

In the food-control act we invested that administrator with broad authority to issue licenses to regulate the public and the private business of the citizens of the country.

This was denounced at the time as monstrous. Well, in peace times it would have been monstrous. Unless it had been absolutely necessary to accomplish a great and essential purpose it would have been monstrous. I voted for it reluctantly. I would not have voted for it had I not thought the exigencies of the situation made it imperatively necessary.

Mr. President, the same is true with reference to our coal situation. We not only had to supply the ordinary demands of this country for coal, but we had to supply the great industrial plants and factories required to supply the abnormal demand of this country and our allies in part with coal for the manufacture of munitions and other war materials. In order to conserve our coal supply for these essential purposes, we invested the Fuel Administrator with powers absolutely autocratic; with powers that nobody in his senses in this country would have consented to unless he had been convinced that it was imperatively necessary in the public interest. We gave him sweeping powers. We provided severe penalties in each of these enactments for the violations of the licenses, rules, and regulations established by the administrators of these functions. Indeed, Mr. President, I think it will be admitted now that if we had not provided these penalties and put them behind the action of the Food Control Commission and of the Fuel Control Commission, regulatory efforts in these behalves would have been largely nugatory and ineffective.

Under ordinary circumstances it would be clearly unconstitutional, whether it was connected with the production, use, and sale of food and the production of coal, this fixing of the price at which these things should be sold and bought and these penalties for the violation of administrative regulation with respect thereto would, under ordinary circumstances and except in

those of war, have been clearly unconstitutional, clearly monclearly not to be thought of. But, Mr. President, we did it, and we did it because we thought nothing else would meet the situation; and I think now everybody will agree that nothing less drastic would have met the situation.

The point I wish to impress upon Senators is that we are doing in the part of the bill under discussion nothing that is more violative of ordinary principles of republican government, nothing that is more violative of the rights of the individual citizen or the individual business man, nothing that is more violative of the principles of our constitutional government, than was done in connection with these other two commissions which we established. I wish to further emphasize the statement that in the situation which confronts us every man who gives proper consideration to these matters must reach the conclusion that it is just as essential for this Government at this time to conserve its money supply and to see to it that that money is not dissipated in unnecessary expenditures, but that it performs the service which the public interest requires that it should perform in this great emergency, as it is to conserve our food supply and our fuel supply.

Mr. SHERMAN. Mr. President—
The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Illinois?

Mr. SIMMONS. Yes, Mr. SHERMAN. In 1914 cotton was 6 cents a pound. Cotton closed yesterday at 33.6 cents, an advance of more than 500 per cent. The war can not be carried on without it. Will the

Senator include cotton in the list of regulations?

Mr. SIMMONS, I am not discussing the articles that ought to be included. I am willing to include anything and everything that the judgment of this Congress and the judgment of the people of this Nation shall determine it is necessary to include

in order to win this war.

Mr. SHERMAN. I ask the majority of the Senate, then, to

bring that question before the Senate.

Mr. SIMMONS. That is a question which can be taken up later if the Senator from Illinois desires to take it up. It has no relevancy to the question I am now discussing.

Mr. President, the question is, If it is necessary to do these things in order to conserve the capital of the country, shall we refuse to confer upon the body which we create to perform the duties incident to doing these things the power to enforce its decisions and decrees?

I know it is said that this section is drastic. I do not hesitate to say that I question the expediency of prescribing the penalty; but I think there ought to be some penalty, otherwise the effectiveness of the enactment may be seriously weak-ened and impaired. Whether it ought to extend to the regu-lation and rules established by the committee or not is, I concede, debatable. In my judgment I repeat, however, that it is important to the efficient operation of the system that we are about to create that there should be some penalty imposed upon a willful disregard of the action and the findings of the committee.

The Senate will deal with that question as it sees fit. have no pride of opinion, and I am sure the members of the committee have none in the matter.

Mr. President, I did not rise with any view to entering into quite such an extended discussion of these matters as I have indulged in and I will not trespass further upon the time of the Senate.

Mr. LODGE and Mr. STERLING addressed the Chair.

The PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. STERLING. Will the Senator from North Carolina allow

me to ask him a question before he takes his seat?

The PRESIDENT pro tempore. The Senator from Massachusetts has been recognized. Does he yield to the Senator from South Dakota?

Mr. LODGE. Certainly. Mr. STERLING. I yield to the Senator from Massachusetts. Mr. President, I think this bill is of the utmost importance, and I am very anxious for its speedy passage.

The conditions created by the war have, of course, disturbed all the financial conditions of the country. That is inevitable. The enormous loans which the Government is required to place, the enormous taxes which it is required to collect have shaken our financial fabric. Perhaps the most important single thing for the successful prosecution of this war is the placing of the great Government loans. We have placed several billions. are going to place many billions more. The result of this preemption of the loan market by the Government is that securities, no matter how good and how safe they may be, have no market at anything approaching their real value. Selling them back and

forth to each other does not help us at all, and we have no foreign market to sell them in.

Mr. President, it was perfectly clear to me, and I think to others, that something would have to be done to enlarge credits. We were drifting straight toward a financial crash, in my opinion. We have this next loan coming. The ordinary savings of the people from month to month probably will not be sufficient. As the law now stands, it is impossible to borrow on collateral from the Federal reserve banks. It was of vital importance to enlarge the opportunity for borrowing on collateral. enable people to put up as collateral good securities which they will otherwise have to sell at an enormous sacrifice. provided for by this bill. A man desirous of investing in a Government loan can take securities to a member bank and get the money, and the member bank can then go to the financial corporation and borrow the money, and on the notes of the corporation can secure money from the Federal reserve bank. In other words, the bill enlarges the opportunity to borrow money on collateral, and I think that is an absolutely vital thing to do. I think we must have it.

The bill also provides methods of relieving the savings banks. If we have to raise the rate of interest—as we are very likely to do-on the next Government loan, you may have a run on the savings banks, and, their assets not being liquid assets, you might bring on a business panic which would not only cause enormous losses everywhere, but which would shatter all prospects of a successful placing of the loan. There are some fourteen billions in the savings banks. I think the same thing applies to the insurance companies, which are all operated under There must be an opportunity for such careful laws of States. institutions to get relief in order to guard against a widespread business panic. The same thing is true of the public utilities. They are obliged in this year to renew \$225,000,000 of securities.

They are all under State laws. Their rates are fixed. Their wages and their expenses have increased enormously. Their rates must be and will be, no doubt, advanced by the action of the States; but that is a slow process and the crisis will not wait. Their earning capacity does not justify a bank in advancing money to them on their security. We should precipitate a panic if we allowed the public utilities of this country to fail and go generally into the hands of receivers. It is not a question whether they are contributory to war work; it is a question of public interest, of maintaining their credit, of enabling them to go on. That is provided for in this bill. Provision is made that they can get money through financial corporations. I mention those points as showing the immense importance of passing this bill.

Now, I come, Mr. President, to sections 7 and 8. They never had my approval. Not that I am against licensing; on the contrary, I think that we must take some method of preventing improvident issues of new capital. That must be done. It has been done by every nation at war. They have a committee now in the Treasury which is approving or disapproving new issues of capital, and which has worked very well. strong committee and its work is good. Necessarily this must be done, and it has been done by every other nation; but in England, at least, compliance with the action of the committee is voluntary. Now, this is an effective method. It has proved to be effective in other countries and it has been effective here.

Let me give an illustration to show how perfectly well it works. We can pass no law that will prevent a State or a municipality from issuing a loan. We can not interfere with them by law. The municipality or the State can sell its bonds over its own counter and we can not prevent it; and yet the voluntary committee in England has reduced municipal loans and municipal demands for new capital to £6,000-practically to nothing.

I know cases where this committee now in operation at the Treasury has stopped a loan of one municipality simply by re-fusing its approval, and has cut another down. Those must be voluntary, and there is more danger of the improvident use and improvident demand for new capital for municipalities than in any other single direction.

The voluntary system has worked in England and has worked perfectly well with municipalities. The fact is that investors generally and those who lend money will not lend money to enterprises and will not take securities which the board in Washington declares to be adverse to the public interest, and you must put it on that broad ground.

It was proposed, as the bill originally stood, to give the directors of the corporation the power to issue or to withhold licenses and then put a penitentiary penalty on anybody who undertook to act without a license. It seemed to me that this was one of the errors of which too much of our legislation has been guilty, and which arises from basing the legislation on the action, or

the probable action, of a very small minority of people instead of basing it on the attitude and the action of the great majority of the people. I believe it is a vicious principle to pass drastic legislation in order to reach a small and inconsiderable minority of people who are not ready to do their patriotic duty, and thereby to punish and interfere with and harass the great body of patriotic citizens who ask nothing better than to help the Government in every possible way.

I think, Mr. President, that the purpose, the importance of

which I fully recognize, can be entirely attained by a commit-tee which can only reach voluntary compliance. As I have said, it has worked perfectly in England, and, so far as we have tried

it, it has worked here.

The committee felt that in any event the question of licensing ought to be trusted to the Reserve Board, who are already dealing with it, who have better sources of information than the new corporation could possibly acquire in a short time. framed the amendment creating this committee on capital issues which appears in the italics on page 14, and it received an overwhelming majority of the committee as a substitute for leaving the licensing in the hands of the directors of the financial corporations.

Mr. President, I am personally opposed to section 8. I think it is a dangerous provision. I am not going to discuss the constitutional question. I do not think that is a point which has much effect upon anybody's mind at this moment. But putting that aside, admitting that it is constitutional, I think it is extremely dangerous to give into the hands of any board or commission the power to send an American citizen to the penitentiary because, in the judgment of that board, the loan that he is asking for is not in the public interest. Without their approval he never could get it, and to give this drastic authority to any board here seems to me not only needless but in the highest degree dangerous and likely to lead to great abuses.

I think section 8 ought to be stricken out. I think the prohibition which begins in line 24 of page 14 and runs down to line 10 on page 15 ought to come out. I have no objection to giving to the committee now operating a legal status and proper means and authority to carry on their work. I have no objection to that. I think there is this point also to be considered, that if we should strike out the committee altogether it might cripple and hamper the committee now existing. I am very firmly of the opinion that we need that committee; that we need the opportunity to stop improvident issues of new capital. Therefore I have no objection to leaving in those italics-that is, the amendment of the committee creating the committee on new issues-and I can not believe that the Treasury Department would have the slightest objection, might think-I have no doubt they do think-that the present form is better, but I can not believe that they would seriously object to the Senate making this change, I am sure they can work under it, because they are working under it now, and I am sure also that the Secretary of the Treasury would feel as I feel, that the vital points of the bill, the great objects to be attained, are contained in the other clauses.

Those members of the committee who are opposed to these sections did not think it necessary to get up a minority report. They had no desire to break in that way, but they reserved the right to discuss and to oppose these two sections.

Mr. FLETCHER. Mr. President

Mr. LODGE. I yield.

Mr. FLETCHER. May I ask the Senator if he feels that there is no necessity for any penalty whatever for any violation of the act?

Mr. LODGE. I do. Mr. FLETCHER. Not merely a violation of these regulations or orders, but a willful violation of the act itself?

Oh, the act itself is quite apart.

Mr. FLETCHER. From the order.

Mr. LODGE. I mean as far as licensing goes, I think there ought to be no penalty. I think it ought to be a voluntary

Mr. FLETCHER. I can see a distinction between a violation of the act and a violation of rules or regulations. There might be a violation of the act itself under the provisions of the law, as to which there should be some penalty.

Mr. LODGE. Of course section 8 includes the licenses and orders, and I want that out. I have no desire to leave out the other provisions of the act. I do not think that the other provisions need penal clauses.

Mr. HARDWICK. If the Senator will allow me, if section is left in we do not need penal clauses.

Mr. LODGE. I think the penal clauses ought to go out. Mr. STERLING. I wish to ask the Senator from Massa-chusetts a question which I intended to ask the Senator from

Is it not a question just when the opera-North Carolina. tion of any industry will be contributory to the prosecution Might it not be said, in other words, that any enterprise or business on which the prosperity of a community is more or less dependent, at least indirectly, contributes to the prosecution of the war? Would you give to the committee the unlimited power conferred by the bill to prevent the issue or the sale of securities of such business or industry if it be lawful and the prosperity of the particular community in which it is situated is dependent upon that business or in-

Mr. LODGE. I agree with the Senator. That is one reason why I desire to get rid of the penal clauses. But I think that we can not afford to confine the action of the committee to acts contributory to the war. I think, for instance, as I have already said, that it is of immense importance to prevent the public utilities from failing and going into the hands of receivers in the course of the next six months. It is not because they carry men to the shipyards or do something directly con-tributory to the war, but because I think it is against public interest to allow such a blow to credit and finance as that would

Mr. STERLING. I think of another illustration.

Mr. LODGE. If the Senator will allow me, if the words "important public interest" are left in then they have a right, of course, to approve loans of the character the Senator describes.

Mr. STERLING. It occurred to me that the bill should be so amended as to provide that this committee should not have the power to restrict the capital expenditures necessary for the proper maintenance or the safe development of any lawful business or that the committee should not have the power to prevent the issuance of municipal securities where the welfare of the inhabitants of a city or of a political subdivision of or a State, for example, were dependent upon the public improvements which could only be made upon the sale of such securities.

Mr. LODGE. There I am afraid I entirely differ from the Senator. I think nothing is more important than to have a committee which will have the power not to stop, they can nor do that, but to disapprove municipal issues or bonds for a project that can perfectly well wait. The greatest waste of money necessary for the war-will be in the municipal loans.

Mr. STERLING. But take the question of sewage for a city, take the question of waterworks for a city, the health and welfare of the people of that city are dependent upon the con-

struction of the improvement.

Mr. LODGE. The committee can not stop it.

Mr. STERLING. It can stop the sale of bonds necessary to

raise the money for the purpose of making the improvement.

Mr. LODGE, Well, Mr. President, I think the number of proper expenditures which it will stop will be very few, and I think it will stop millions which do not need to be expended now and which would not be expended if the municipalities were private corporations.

Mr. STERLING. It occurred to me that some amendment might be made that would guard that point.

Mr. LODGE. I think the Senator's amendment would nullify the whole thing

Mr. WILLIAMS. I will say that this committee would hardly undertake to interfere with floating bonds for a sewage system of a city. Of course, it is possible to imagine their doing that, but it will never happen.

Mr. LODGE. Mr. President, there was a case of a city that came before the new capital committee with a loan for a million and three-quarters. It was to be used for sewerage and lighting and improving the water supply. I think those were the principal items. The committee went over it very carefully with the representatives of the city, and they agreed that they did not need more than a million dollars at this time and they cut it down three-quarters of a million. I think that was a distinct benefit.

Mr. WILLIAMS. In other words, all that was necessary for their present necessities and health could be accomplished by a a million dollars,

Absolutely. Mr LODGE.

Mr WILLIAMS. The balance was just for the purpose probably of encouraging real estate speculation,

Mr. LODGE. Precisely.

Mr. GALLINGER. If the Senator from Massachusetts will permit me, I think our attention was called to a case where a large appropriation had been made for the building of a mag-nificent school house, and after the committee consulted with the officials of the city it was decided that they could wait until

after the close of the war.

Mr. LODGE. Building courthouses and everything of that sort. We shall stop our public-building expenditures, as we ought to do, and if we can do it the cities can.

Mr. GALLINGER. If the Senator will permit me further, we have the assurance, which we all rely upon, that in determining whether or not aid shall be given to public utilities at various times a wise discrimination should be exercised.

Mr. LODGE. No doubt.

Mr. GALLINGER. Where some might feel it ought to be helped a great many might feel that it ought not to be helped. Mr. LODGE. And a much wiser discrimination than if they

had the power to put a man in the penitentiary.

Mr. WILLIAMS. Mr. President, I doubt the efficiency of the operation of this act if we are going to trust entirely to the voluntary compliance of citizens. I do not see the force of the argument by analogy with what is taking place in Great Britain. England is a tight little island; it is a very small The people in England who are engaged in large commercial, industrial, and bank enterprises are either personally, or almost personally, acquainted and intimate with one another. The consequence is that there is a degree of elbow touch, a degree of confidence in the men when they are selected for a committee which can trust to nothing except voluntary compliance with its advice that can not exist in a country of 100,000,000 people divided into different sections, industrially, commercially, and otherwise. There are no men who can be selected in America who can engage the absolute business confidence of the people upon the Pacific slope and the Gulf coast and the Atlantic coast and the Middle States and the Mississippi Valley, while a committee in Great Britain could very easily obtain the absolute trust and confidence of all the business enterprises of Great Britain.

It would be much easier to find somebody who could work a system depending entirely upon voluntary compliance, even in the great State of New York, than to find one who could work the same system all over the United States, having to rely upon voluntary compliance in Mississippi, South Dakota, Vermont, Texas, Louisiana, Washington, Arizona, and the balance of this country; in other words, this is not, and it never was in the consolidated sense, just one nation. It is a Republic of republics; and there exists, and there always will exist, a diversity of sectional interests-I do not mean in the political sense, of course, but in the industrial and commercial sensethat never can be avoided so long as the country is as big as it is, and diversities will grow in number as the country grows in population.

Mr. SMITH of Georgia. Mr. President, there is no division in this body about our duty to contribute in every way toward success in the great struggle that confronts our country. should be ready to make every sacrifice that is necessary as a Nation and as individuals, and I believe we will make them. This does not mean that every suggested piece of legislation is wise or that every objection to a suggested piece of legislation is wise. It is our duty, with the earnest purpose of finding out what is best, to confer and express in legislation our conviction of what will really serve our country, and I am sure that we shall do so.

With regard to the control of bond issues, we all understand the great task that confronts our country in financing the war. We know that it is the duty of the States, of municipalities, and of individuals to refrain from unnecessarily seeking to occupy the bond market and to refrain from unnecessarily placing a call upon the labor forces of the country for work not required. I believe it most important that there should be a national agency to consider and to act upon bond issues, have had a voluntary agency of that sort. So far as I Jave learned no organization has disregarded the recommendations of that agency. When we add to that voluntary agency the sanction of Federal indorsement and make it a governmental agency, I do not believe there is a State or a municipality in this country which would disregard its recommendations; I do not believe there is any large organization that would seek to do so; and if either did, I do not believe the bonds would be salable.

You create a Government agency to pass upon this problem, and the first question that a bond buyer would ask would be, "Has your issue met the approval of the Government agency? If not, why not?" I am most heartily in favor of a Government. I am most heartily in favor of a Government agency to pass upon such issues, because I do believe it essential and helpful in the struggle we are conducting,

So far as section 8 is concerned, I hav regarded it as a most immaterial. 'ven without it I do not believe that any bonds can move, unless approved by the Government board; I do not believe the penalty will stop bonds seeking to move, because, the issue having been disapproved by the Government agency, I hardly think it possible that any muricipality or State would Eack to put bonds upon the market.

Mr. GRONNA. Mr. President—

The PRESIDENT pro tempore. Does the Senator from

Georgia yield to the Senator from North Dakota?

Mr. GRONNA. Will it disturb the Senator from Georgia if I ask him a question?

Mr. SMITH of Georgia. Not at all. I yield to the Senator

for that purpose.

Mr. GRONNA. I have in mind a condition which actually We were unfortunate enough not to have exists in my State. raised a very good crop there last year, and our farmers do not have their own seed grain. Our legislature has passed an act authorizing the counties to issue bonds to cover the situation, and many of the counties will issue bonds to the amount of \$300,000. The result of the proceeds of the sale of those bonds will, of course, all be new capital; it will not be for the purpose of redeeming outstanding bonds. I desire to ask the Senator his opinion-

Mr. SMITH of Georgia. About such a bond issue as that?

Mr. GRONNA. I desire to ask whether, in the Senator's opinion, under this bill which we are now considering, if enacted into law, there would be a possibility of stopping a bond issue for the purpose which I have stated?

Mr. SMITH of Georgia. I would regard a member of a board who would stop such a bond issue in the aid of food production and of agriculture as being almost subject to impeachment; such action would be so stupidly ignorant.

I am very glad to hear the Senator from Mr. GRONNA.

Georgia say that.

Mr. SMITH of Georgia. That would be my view as to such

action on the part of any board.

Mr. McCUMBER. Does not the Senator from Georgia think that such a member of a board would be subject to an inquiry as to his sanity rather than to impeachment?

Mr. SMITH of Georgia. I think St. Elizabeth's Asylum for the Insane would at least be a proper place to send such a

Mr. McCUMBER. We especially need food; that is one of the things which we have declared are necessary for the success of the war.

Mr. SMITH of Georgia. I think in such a case the board ought to say: "You are doing a necessary work in the effort to stimulate food production; we believe you are carrying a necessary burden, and we thank you for it.

Mr. GRONNA. Mr. President, I am very glad the Senator from Georgia places that construction upon the language, or I am glad to have it explained in that way, because this bond issue, of course, will be for production for the purpose of carry-

ing on the war, and for nothing else.

Mr. SMITH of Georgia. The bill as it first came to us provided that the new board of directors of this war finance corporation should pass upon this question. After considering the subject, we concluded that we had an organization which was already known to the public and which enjoyed the popular confidence—the Federal Reserve Board—and that it would be better to place this power there than to say that it should go into the hands of men who were as yet unknown. How did we do it? Discussing it with members of the Federal Reserve Board, they advised us that their work was laborious and that they would be glad to have two additional outsiders to help them; to take the majority of this new organization from the Federal Reserve Board, and to give them two outside men to do the detail work for them, to make the investigations for them, and they would come in to help decide, after those men had carried a good deal of the detail work.

As a result of our conference we made the board consist of five members, three from the Federal Reserve Board and two to be selected by the Federal Reserve Board to help the three do the work. I think it was a wise determination; I think it

will work splendidly.

Mr. President, so far as I am concerned I am indifferent about section 8. Generally speaking, I do not like that kind of legislation. I do not think it will do any harm, because I think the good will be done without it; and I do not think it will do any harm to strike it out, because I think the good will still be ac-

complished without it.

I believe this discussion has been valuable; I believe in the advantage of conference and short discussion upon the floor of the Senate when Senators are present and listen and when time is not uselessly consumed. I think we have made progress; I think we are all reaching the conclusion that section 8 is not as harmful as many have thought, because it is not so important as they have thought; and it is not as necessary as some have thought, because section 7 will accomplish the result, even if we do not have section 8.

Mr. HARDING and Mr. McCUMBER addressed the Chair. The PRESIDENT pro tempore. The Senator from Ohio.

Mr. HARDING. I do not suppose, Mr. President, there are any infallible Government agencies, though I have a strong offering a substitute is in a more or less indefensible position;

notion that, if there are such, they ought to be attached to the Treasury Department. A village banker came into my office this morning and told me one of the discouraging experiences of a citizen who wished patriotically to contribute to the financing of the Government's needs. He had just laid aside a com-munication from the Treasury Department urging his bank to invest the allotted percentage of its resources in war certificates, when a depositor of his bank came in to get his advice about the proposed withdrawal of a time deposit amounting, let us say, to \$20,000. That would be a very considerable deposit in a village bank. The banker very properly called attention to the need of the Government and the problem of the banks in meeting Government requirements, and suggested that the time deposit be left in the possession of the bank. Whereupon the depositor drew from her pocket a prospectus of a stock issue of a very notable concern in this country offering a preferred stock bearing an 8 per cent dividend rate, and said, "I prefer to withdraw my money and invest in this 8 per cent proposition because it likewise is a Government need." When the banker expressed surprise thereat, his attention was called to an indorsement on the prospectus signed by a member of the Federal commission which passes upon such matters, saying that this industry was essential to the Government in war and, by imputation at least, had the sanction of the voluntary committee which recommends securities. But for the intervention and explanation of the banker that depositor would have undoubtedly invested her entire resources in this proposed issue of preferred stock; and I may say, knowing the broadening industry as I do, and knowing its high character as I do, that its additional financing at this time is no more essential to the prosecution of the war than my enlistment in the aviation service is necessary to the prosecution of the war.

So, Mr. President, I find myself in a strange conflict of opinion. I think the licensing feature of this bill is calculated to accomplish a very great good, because if there is any one thing needed in the United States of America to-day it is a deterrent on expenditures; but, on the other hand, I could no more vote for the licensing feature proposed in this bill than I could vote at the same time to discontinue our part in the war. Therefore

I find myself a great deal embarrassed.

I suppose I might preface these few remarks by a rather unusual admission in the Senate, namely, that I do not know very much about big finance, but some of us have qualities of instinct, if nothing else, and I confess I am unable to bring myself to give assent or approval to the pending measure. To begin with, it is premised on a false assumption. The bill starts out by saying it is for the purpose of financing industries connected with the war. I doubt very much if there is a Senator on this floor who does not know that every industry necessarily connected with the prosecution of the war is financed by the department with which it operates, if such financing is necessary

The Shipping Board has indulged in a system of financing that in ordinary times would drive a sober financier to drink; the War Department has been financing industries connected with munitions in a manner so liberal that it could not enlist approval were not the necessities of the Government so urgent, and the Navy Department has likewise been extending its funds to necessary industries, so that everything directly or indirectly connected with the war has the Government's financial aid at

this time.

That is even true of the farmer who is seeking to raise the necessary food for the conduct of the war. Then, if you will pass on to the great railroad interests of the country, they have already been taken under the wing of the Government, and if I read correctly the railway-control bill recently passed and now in conference, every railroad security in this country is cared for by that measure. So if you look over the field of Government financing I know of nothing remaining of a serious character, except the Government's sale of its own securities.

Let me say, however, lest I be misunderstood, that I am not unaware of the fact that there are securities of public utilities and great solvent corporate industries in this country which are maturing from month to month and which it is essential should in some way be cared for, but I was rather agreeable to the comment offered by the Senator from Illinois [Mr. Sherman] the other day, when he said that solvent institutions of that character could usually pretty well care for themselves. Nevertheless, I think, Mr. President and Senators, there is necessary some agency to help the financial institutions of this country to meet the obligations of many great and important operations, and I think that there must be a practical way of doing so without the

I am conscious that one who opposes a proposition without

but I have a very strong conviction, Senators, that it would be a very simple matter to modify the banking act, under which this country finances its operations, so as to meet the requirements of the present situation.

I know of no way whereby you can create wealth with the wave of a magician's wand. I can see nothing in this bill that is going to create four billions of additional wealth in the United States of America, and I do know that if the assets of publicutility corporations and other institutions that are to benefit by the enactment of this measure are worth what they purport to be, it ought to be a very simple matter to provide a plan whereby the Federal reserve bank can issue currency on those assets.

Mr. President, I apprehend that one of the great difficulties of the situation is the drain on the financial world by the issue of our bonds. I think that is true, and my complaint is that we are not doing all that we ought to relieve that situation.

If it will not seem lacking in respect by one on the Hill for those in authority at the other end of the Avenue, I want to put in the RECORD at this moment the statement that there has been appeal after appeal for this body to modify the existing revenue measure so that the banks of this country can meet the drain due to the excess-profits and income war taxes and pay them without exhausting their reserves; and there has been insistent objection at the other end of the Avenue, and it has been impossible to secure any action on the part of the Congress. And yet. Mr. President, to illustrate, the payment of the taxes under the new revenue law in the industrial sections of this country, under the provisions of the law, by the 30th day of next June, will wipe out essentially every dollar of the reserves in the banks of the State of Ohio

Under such circumstances, it is very easy to see that a new bond issue will fail to go "over the top," as they have heretofore, because the banks have not the resources; no matter how patriotic the banks and their depositors may be, because the drain for the time being is on their resources to meet the current tax demands. I am not sure that an extension of the time of payment, providing for the acceptance of partial tenders, would wholly relieve the situation, but my judgment is that it would go a long way in that direction; and since there are so many Members of Congress asking for that modification, I should like to speak for a moment for a little coordination between the executive and the legislative branches of the Government to meet a very necessary situation; and we might very reasonably, Senators, meet this financial situation by a little further coordination in seeing how much we can save from expenditure instead of trying to see how much we can spend.

I think. Mr. President, that I know something about the temper of the country. I think we have gone war mad. I think it is important that somebody shall begin to think soberly, and try to get this country's hat on straight; we need some same thinking. Why, out in my State the other day they put over a county ditch improvement which requires the expenditure of \$190,000, which the proponents had been urging for seven or eight years, and the common sense of the situation was against the improvement; and only a few days ago they put it over in the name of war, because they were going to reclaim land to raise food to feed ourselves and our allies. Yet the improvement can not be completed inside of three years, and, if my recollection is good, it takes a few months after that to raise a crop!

I do not know how closely some of you have been watching the proceedings, but up in the Committee on Commerce there have been some manifestations of this tendency to expenditure that would prove a national farce if it were not so serious. There are dreamers sitting about the committee room, wanting the sanction of our committee, who want to build ships for the Government, who have not yet even acquired a hammer for driving a rivet; and they want the Government to buy the yards and construct the ways and furnish them the materials and spend without limit when the most optimistic of them could not promise you the delivery of a ship short of 18 months ahead.

Quite apart from that, Mr. President, one Senator on this floor, and a number of Members of Congress, and particularly the distinguished Postmaster General—who does not know one-tenth as much about the telephone business as I do—propose with a wave of the hand to take over the District telephone system. Somebody else—somebody of very great eminence—wants to buy the docks and wharves of an enemy in the harbor of New York. Well, Mr. President, we have the use of them now. Then, what in the name of sense is there to justify an expenditure of countless millions when we are worrying ourselves gray about how we are going to raise the money? Does it not seem sensible that in this hour of peril and anxiety and extraordinary need somebody might cry out against countless expenditures and commit this Government to the use of available funds for the requisite needs of the prosecution of the war?

I am not in agreement with my distinguished friend, the Senator from California [Mr. Johnson] about the railroad policy for this country, and I think it is very inopportune to press the issue in this trying moment; and yet. Mr. President and Senators, the process of scrambling the railroad eggs is being so vigorously pushed forward right now that I will stake my reputation as a prophet, poor as it may be, that the unscrambling will never take place in the United States of America. I do not want anybody to misconstrue my remarks as meaning that I am committed to that policy, but I can read the signs of the times, and one of the difficulties of the United States of America to-day is that everybody is seeking to work his reformation in the name of war.

tion in the name of war.

Why. Mr. President, I have been visited by seemingly countless charming women interested in the suffrage proposition who have repeated again and again and again that the grant of suffrage to women is a war measure, when I think my understanding of history is that noble womanhood, from the dawn of civilization, has been making her sacrifices and contributions to the onward movement in both war and peace without any thought heretofore of the suffrage opportunity. However, that is merely a remark in passing.

This is the thought that I have in mind: If this country, Mr. President, must commit itself to a financial policy that would not be tolerated for five seconds in a time of peace, in order to enlist the patriotic devotion of the financiers of this land, and if this country must do all that is asked for in order to persuade the farmers of this country to raise food to support us during the war, and then if, added to that, this country must grant limitless compensation to the labor that is engaged in war enterprises, I would not give you very much for the patriotism that there is left to save the American Republic. If I could call, Mr. President, for the performance of that thing which is so needful at this moment, I would ask those in executive authority in this country to say not less to those of the world who are interested in this enterprise, but more to those of America who are directly concerned in our part in the war. I think it quite possible for the executive function to be so exercised that America will be just a little more harmoniously and enthusiastically committed to the war; and I think it will be possible, with the exercise of the proper authority already granted, to coordinate American activities into a more effective prosecution of the war

Mr. President, I am sure I will sound no note which can be misconstrued to-day. I think such votes as I have east in this body, and such utterances as I have ventured to make to the public, will afford me a guaranty against the charge of copperheadism, which is ever too ready to be uttered on the part of the "court journals" and some of the press critics in this country. I am just as much interested in the successful prosecution of this war as anybody connected with the Government or in the Army or Navy; and if you would let me enunciate the policy of the United States, I would say that we are committed to this war until Germany is brought to terms, or these United States are not worth residing in; and I am willing to vote for every measure that is necessary for the successful conduct of this war. I have surrendered my personal convictions time and time again; and . want to be counted as one of the Senators, "rubber stamp" or otherwise, ready to give sanction to the necessary measures for the successful conduct of the war. But, Mr. President, I reserve the right to exercise such little judgment as I possess concerning measures not directly concerned with the conduct of the war; and in my humble judgment the pending bill has infinitely more to do with the period after the war than it has to do with the successful financing of the war.

The Senator from North Dakota [Mr. McCumber] asks me to explain the latter remark, but he is polite enough not to insist. I have no veiled thought. I have a profound conviction, Mr. President, that in the name of war efficiency we are completely undermining our form of government. I think the Senator from North Carolina [Mr. Simmons], who speaks with great earnestness and official inspiration and with complete understanding, made reference this morning to the autocratic administration of certain functions of government. I am not finding fault with that. If all these grants of autocratic power will only expire with the termination of the war. I shall have no great fear thereat. I hope we can always be sane and thoughtful enough to provide for the early expiration of such powers. But, Mr. President, since the Senator from North Dakota has ventured his inquiry in an aside, let me point out a danger in popular government.

It has not been demonstrated yet that popular government can survive. I hope it will; but the very weakness of it is that we yield to political and personal prejudices and have more concern about our own political careers than we have about the perpetuity of the Government. If I do not make myself

clear on that point, let me say now that I am thinking more to-day about the future of the United States of America than I am about my own succession to the Senate. Some one high in authority has said that he was very anxious to know what the people were thinking about the firesides of America. I can say the people about the firesides of America are eager and anxious to mobilize the resources of this country to win the war, but they do not want to overturn our representative form of republican government to accomplish it. I say, with all due respect, that there has been a tendency since the beginning of this war to center in the Department of the Treasury an authority that is unthinkable; and I for one say now that the end has come to such proceedings for me.

When I say that I have no ill will, no unkind criticism, for the distinguished gentleman who holds the portfolio of Secretary of the Treasury. He may be infallible, for all I know; I will assume that he is invulnerable; but we used to have a saying when I was a lad about the impropriety of riding a willing horse to death; and I do not think the Senate ought to impose upon any one American, great as he may be, so many responsibilities in these hours of peril.

Mr. President, I said a moment ago we should be stronger if we cried out against abnormal and endangering expenditures in this hour of peril. Let us wait upon the reform that calls for countless millions of Government money until we can act affirmatively in the deliberations of peace. Let us not buy everything that somebody has a grudge against in order to satisfy the man with the grudge. Let us not assume to reach into this mysterious Treasury with its seemingly inexhaustible fund and take under the Government wing that activity in our daily affairs which somebody wants brought under the wing for selfish purposes-not altogether, of course. Let us not assume that here in Washington is some vein that reaches into a mysterious supply of gold that no profligacy can exhaust, and let us assume that you can try the patience of the country with shocking expenditures and extraordinary obligations.

Mr. President, I am not petty about these things. If I were to choose a classification I would rather be a spender than otherwise when the means are available, but here is the richest Nation in the world; here is a Nation with more gold than any other in the world; here is a Nation with more resources than any other in the world; and we find ourselves unconsciously admitting in the United States Senate that rich as we are and late as we were in entering the war, we are harassed to finance our operations, while the central powers of Europe, with scarcely more than 40 per cent of our possession in gold, are able to carry on their operations without any manifestations of deep concern. I am not so self-satisfied, Mr. President, but what I can say, if it is demonstrated to me that our policy is wrong and somebody else's is supreme, we might well pattern after the other fellow whose supremacy is proven.

At any rate, in this financial proposition, if the United States of America, with Great Britain and France, can not evolve a successful plan of financing the war, in my judgment the war is in a very serious way. I am not willing to confess American weariness over the task we have assumed. Of course, the world grows weary of any great work, but any weariness manifested in the United States of America must be psychological, because the American heart is strong and weariness does not indicate unwillingness to complete a task. But let us not add to the concern of the country by these perfectly abnormal financial

operations.

Mr. President, I said a little while ago in these rambling remarks that I recognize the need of some sort of governmental assistance in meeting the maturing obligations of many public utility corporations and possibly some private enterprises other than those in the public service. It is easily conceivable to me that if our Federal Reserve System is all that we have believed it to be, and I have taken occasion to commend it on all occasions, it would be a very simple matter to add to its authority in making available a currency through the assets in the securities of these institutions. A particularly appealing thing to me about it is that that process ought to be made effective without creating some enormous new department here at Washington.

Senators, without knowing precisely how far the need extends, I call your attention to the fact that we have made the Capital City of this country very much like a mining camp with a new discovery of gold, and Government employees are being brought into this great Capital City on every incoming train, and they are falling over each other; and the pity of it is that, however good the intent may be, the needed executive efficiency is lacking and we are spending millions on employees that ought never to be spent.

I venture to give you an illustration. Like many of you I went to a certain department of the Army only yesterday to do what

all of you are called upon to do, to intercede for the recognition of a very worthy constituent in the matter of a military commission. In this particular instance I met one whom I look upon as the most courteous and considerate of division chiefs with whom I have come in contact in the activities incident to the war. He said, "My dear man, your case is hopeless, because I have discovered that there are 280 commissioned men waiting for assignment for whom there is not a single place open. have myself within the last week removed many men from this department because there was nothing for them to do, and they were in the way of our efficient operation." That is an easily conceivable situation, resulting from feverish effort. unprepared, everybody was eager to do the most and best pos-sible, and there was the call for every character for Government service, and essentially every element in our American life responded, to its credit. I am not finding fault with the Government employees who have come here; I am finding fault with the chiefs who employ them when they do not need them.

But they are not the only ones who are coming to Washington. Have you ever studied the personnel of a Pullman car of passengers coming into Washington? I have had occasion during the last few weeks to travel only a little bit; I assure you that it was no more than seemed necessary, to me at least. If you will take note of the average Pullman car of pilgrims to Washington, you will find that three out of every four of them are talking money, money, money. I will not say that it is all without patriotism, nor do I wish anyone to think that I am referring solely to profiteering. We hear much about profiteering. Let me put into the RECORD that profiteering is personal; it does not belong to any particular class; but thousands headed for Washington seemingly have some design on the Treasury, not an unlawful one, not always an unpatriotic one. But I would like to see the thing, Mr. President and Senators, that would bring a halt to the notion that this struggle of the Republic is scramble for gold.

Mr. BORAH. Mr. President-

The PRESIDING OFFICER (Mr. Nelson in the chair). Will the Senator from Ohio yield to the Senator from Idaho?

Mr. HARDING. Certainly.

Mr. BORAH. Do I understand the Senator to be expressing the view that four-fifths of the people of the United States who come to Washington come actuated by a desire to get next to the Treasury?

Mr. HARDING. I distinctly said the opposite. I said that four-fifths of the people who come to Washington are talking money, but I expressly said that many of them come with high motives and patriotic motives, and I supplemented it by the statement that profiteering is purely a personal matter.

Mr. BORAH. Then the Senator did not desire to have the inference drawn that these people who were talking money were

not talking in a proper way?

Mr. HARDING. The Senator can make such inferences as he desires. I am sure he will not think that I am indicting everybody in this country, nor am I indicting everybody who comes to Washington.

Mr. BORAH. That is the reason why I asked the Senator the question. I think when the Senator comes to look over his remarks he will see that that would be the inference which his

remarks would naturally sustain.

Mr. HARDING. I thank the Senator. If that is his impression, I am sure that any impression which he has would be the natural impression of a person of intelligence.

Mr. THOMAS. Has the Senator studied the psychology of

the passengers on the Pullman trains leaving Washington?

Mr. HARDING. I think if I did I would find that instead of discussing the subject of money they would be discussing the question of credit.

It seems to me that if they had put up at any Mr. THOMAS. of our Washington hotels they would be very apt to be discussing

the absence of it. [Laughter.]
Mr. HARDING. I can understand the point the Senator makes without having been called upon myself to stop at hotels

Mr. President, I had not thought to detain the Senate this long, and I have regretted that I have been unable to offer the specific substitute for the pending measure which will accomplish the things that I would like to have accomplished.

I want to revert again to the fact that I think some repressive measure which will stop unjustified and unjustifiable expenditure at this particular time would be a very helpful thing to the country. Yet I understand the motives and the feelings of the man who wants his particular enterprise to go on just as it has heretofore. The man who builds highways, who paves the streets, wants the customary bond issue because he can thereby continue his operations. But the man who thinks about

the public which pays for those operations might well advise the public to wait, because the cost at this time is double the normal figure, and it is a very unwise proposition that we should go on with these expenditures not absolutely essential at

a time of abnormal cost.

Yet, Mr. President, when I think of the power that would be lodged in the license committee, the thing is so abhorrent to me that I want it known I can not vote for such a measure. Nevertheless, I can see there might and ought to be some instrumentality which would perform this needed function without the

menace that comes from such a grant of power.

Of course, it is very difficult to bring men who have large operations in various lines to an understanding that they must make some sacrifices for this war. I tell you, Senators, the people of America have never at any time come to an under-standing of the seriousness of this war. They have not to this

When I hear representatives of the agricultural world saying that farmers are mad, and they will not put out crops as they did last year because they are not satisfied with the compensation they received, I reflect that surely no one who speaks for the patriotism of the agricultural world would make such a remark if he understood the seriousness of the war situation, and the radicals of the labor world must have called to their attention the crisis of the situation and the extreme need of their patriotic participation if we are going to reach a position where we would avoid the conflicts that the unheeding unfailingly brings on. Capital, for whom much has been said in this body, surely has not come to any understanding of the seriousness of this tremendous world conflict, else capital would bend itself voluntarily to the restrictions of capital issues and the conservation of reserves of the banks and the available funds of this country to finance the necessary issues of bonds to carry on the

While I am addressing the chairman of the Committee on Finance, I invite his cooperation in relieving the situation that is attending the required payment of the war taxes of this country by the 30th day of June. Let us see if we can not do a little cooperation and coordination, not to relieve the burden of the taxes, and not to relieve the taxpayer himself, but to relieve the banks in meeting the requirements of the taxpayers.

Mr. President, it has been a very difficult thing for a good many people in this country to understand the difficulties of meeting the war taxes which we imposed. I can say to you that there are many concerns called upon to pay more in war taxes in 1918 than they ever had cash on hand in their corporate or individual business existence, and that brings a very heavy burden upon the banks of the country, and for the banks, not the taxpayers, I suggest that this body ought to persuade the Secretary of the Treasury to consent to an extension and partialpayment plan which will relieve that situation.

Of course all taxpayers must expect some hardships, and you may as well preach the doctrine now. Business is going to have its hardships, and new undertakings not urgently demanded for public good may well stand aside. We ought to enunciate the doctrine this day that the dreamers and schemers and promoters must momentarily pass out of activity in American life.

You can not do things, Mr. President, with Government money with any propriety in 1918 which will bear no fruit in adding to our war strength until 1920 or 1921. That would be the most inexcusable policy that anyone could suggest. Yet my attention has been called again and again to men who are seeking Gov-ernment financial aid in undertaking enterprises that could not accomplish one useful thing until 1920 to add to our strength in war. I will give you an illustration. The distinguished Senator who is presiding at this moment [Mr. Nelson in the chair] has been in attendance upon the session of the Committee on Commerce. There have come the advocates of the Government's building steel barges and towing tugs to establish new lines of inland waterway traffic, feasible enough no doubt, but it would require not less than three years to put such an agency into effective operation.

Mr. REED. Mr. President, if I am not interrupting the Senator, I hope he will revise that statement. There is not a particle of evidence, and I have been over the plans and figures. very material addition can be made to the transportation facilities of the country within the next six months.

Mr. HARDING. The Senator from Missouri and I can have no disagreement about the possibility of developing an effective agency of Government service on our waterways, but we can not agree on his statement that it can be accomplished in six If I had my way, there would be no expended energies in that direction as an essential war measure.

Mr. KING. Will the Senator yield?

Mr. HARDING. Certainly. Mr. KING. Does the last statement of the Senator imply that the Government has already entered upon that activity?

Mr. HARDING. I think the Government has already en-

as to a specific authority so to do.

Mr. KING. I was going to ask the Senator by what authority had it so entered upon that work, which agency of the

Government had undertaken it, and where was the appropriation for it.

Mr. HARDING. I assume it is within the particularly broad powers of the Shipping Board on one hand, which are ample to cover almost any undertaking. There has been something done toward the construction of barges for inland-waterway service, and it may have gone so far as to provide for the towing tugs. Just where the Government control of railways comes in I am not yet aware, but I think there would be no question about the authority of the Shipping Board to supply such agencies of commerce.

Mr. REED rose.

Mr. HARDING. Does the Senator wish me to yield further? Mr. REED. Mr. President, I only want to direct the Senator's attention to the statement he made and to which I understand he substantially adheres. I am very sorry that he does.

Mr. HARDING. There can be no serious controversy between the Senator and myself on that question. I think it is the most feasible and practical thing in the world for the development of inland-waterway service in cooperation with the Government control of railways, but I can not agree that it can be accomplished in 1918, and I would not, if I had the say, divert one ounce of energy needed in other lines to the undertaking of such an enterprise at this time.

Mr. REED. I am glad to know that the Senator at heart is in favor of the proposition, and I think at the proper time I shall be able to show that he is mistaken as to the length of

Mr. HARDING. That may be a matter of judgment.

Mr. President, the Senator's interruption and the trend of the colloquy has called to my mind the very argument I want to emphasize on this floor. I want the resources and the granted authority given by Congress to the executive departments to be concentrated on efficiency for the successful conduct of the war. I call the attention of the Senate to what, to my mind, is a very important manifestation of the failure in that direction. We are crying in this country for ships, ships, more ships, to meet the shipping situation. Do you not think, Senators, that while we are struggling for a great accomplishment in that direction it would be worth while to centralize somebody's attention on getting efficiency out of the ships we have? I think it will do no harm to say so, because Germany knows it a good deal better than the people of the United States, that we have been so unable to adjust ourselves to efficient activities that our ships to-day are employing 70 days in a round trip between the American ports and the ports we use on the other side of the Atlantic, while an efficiently loaded and unloaded ship ought to make the round trip in 35 days. What is the result? We are losing just half of American efficiency and effectiveness, because we have not yet learned how to do things, or we have been lacking in devoting the administrative attention to a problem that ought to be solved if America is to win the war.

And it must be won! It is just as important to handle the ships you have effectively as it is to make a heroic struggle to secure more ships.

This is the point I am trying to make, Mr. President, that in the creation of new commissions and undertakings, new adventures and experiments, we are dividing our forces instead of concentrating them. I am speaking at this moment for the policy of centralization of authority in finance, and to put into the hands of the Federal Reserve Board the problem of meeting the needs of the capitalistic interests in this country in serving during the war.

Senators, that seems to me a simple proposition, and I think there is no lacking in respect for administrative or executive authority if this body should exercise its judgment and apply some different remedy than that which came from the department, and put upon one of the Government agencies already established the problem of meeting this more or less difficult

For these reasons, Mr. President, I want to be known as favoring any needed financial operation for the successful conduct of the war, but I am not in favor of a proposition which will fasten itself upon the country and put the capital of this country along with that of many of our industries and the railroads in the hands of a Government department. Let us have a system

of individual operation such as that which made us what we are, and a committal on all sides to the problem which the country has on hand, and I have a conviction that we can solve it.

Mr. SWANSON obtained the floor.

Mr. President-Mr. REED.

Mr. SWANSON. I yield to the Senator from Missouri. Mr. REED. Mr. President, I understand the pending motion is one which I offered to strike out section 8 of the bill. At the time I made that motion I stated, in substance, that I expected

also to offer a motion to strike out section 7. There has been considerable debate upon the motion I made and upon the whole question as to whether section 7 ought to remain in the bill. As a result there have been conferences and talks among Senators and others, and I think a satisfactory adjustment has been arrived at, or at least one which will be satisfactory to a number of us who have been vigorously opposing the retention of the licensing clause; and the criminal penalty as it is in the bill is applied to violations of orders of the board. As a result of all this, I think a situation has been worked out which will be presented, I understand, in a motion by the Senator from Virginia [Mr. Swanson]. In order that that motion may have the right

of way, I desire to now withdraw the pending motion.

Mr. SWANSON. Mr. President, there has been a great deal of discussion in the Senate regarding section 7 and there has been a great division of sentiment regarding its provisions. Most Senators and the country at large, I think, have been very de-sirous of giving authority to some one to regulate the issuance of securities. The Government now must have a monopoly as to the borrowing of money if it is to float the bonds which are necessary to the successful conduct of this war. Consequently there must necessarily be some control of the issuance of securi-There has been some debate and a division of opinion as to what extent this authority should be given. Some are in favor of a very severe regulation in licensing bond issues, while others have thought this provision went too far. The various Members with various views have consulted with some of those who are to be responsible for the administration of the law, and I think most of them have reached the conclusion which is embodied in the substitute which I am about to offer for section 7 and also for section 8, after the substitute for section 7 has been voted on. I now send to the desk and ask to have read the substitute to the pending bill, which I offer for section 7.

The PRESIDING OFFICER. The Secretary will read as

The Secretary. It is proposed to strike out section 7 and to insert in lieu thereof:

Insert in lieu thereof:

SEC. 7. That for the purpose of assisting in the prosecution of the war and providing for the public security and defense through the restriction of unnecessary capital expenditures, there shall be appointed by the Federal Reserve Board, with the approval of the Secretary of the Treasury, a capital issues committee, to consist of five members, of whom at least three shall be members of the Federal Reserve Board. Such committee may, under rules and regulations to be prescribed by it from time to time, with the approval of the Secretary of the Treasury, investigate, pass upon, and determine whether or not the sale or offering for sale or for subscription of any issue or any part of any issue of securities hereafter issued, the par or face value of which issue shall be in excess of \$100,000, is compatible with the public interest. The terms during which the several members of such committee shall respectively hold office shall be determined by the Federal Reserve Board, with the approval of the Secretary of the Treasury, and the compensation of the several members of such committee who are not members of the Federal Reserve Board shall be \$7,500 per annum, to be paid by the corporation. Shares of stock of any corporation or association without nominal or par value shall, for the purpose of this act, be deemed to be of the par value of \$100 cach. Nothing in this act, be deemed to be of the par value of \$100 cach. Nothing in this act, be deemed to be of the par value of \$100 cach. Nothing in this act, be deemed to be of the par value of \$100 cach. Nothing in this act, be deemed to be of the par value of \$100 cach. Nothing in this act, be deemed to be of the par value of \$100 cach. Nothing in this act, shall be construed to apply to borrowing for capital purposes. This section shall not be construed to apply to any securities issued by any railroad corporation the property of which may be in the possession and control of the President of the United States, of the legality, validity, or worth

Mr. UNDERWOOD. Mr. President, may I ask the Senator from Virginia a question on that point?

Mr. SWANSON. Yes. Mr. UNDERWOOD. I understand that the original bill had no provision to limit renewals; in other words, if securities fell due there was nothing in the original bill to prevent the corporation from renewing its existing issues. If this amendment is adopted as it is read from the desk, does it affect the provision of the original bill in reference to renewals?

Mr. SWANSON. Not at all.
Mr. UNDERWOOD. The opportunity for the renewal of bonds falling due is still granted, and there would be no control of that?

Mr. SWANSON. There is no alteration of the bill, as I understand, in reference to that.

Mr. SMOOT. I think there is. Mr. SWANSON. To what extent?

Mr. SMOOT. As I recall-I have not had a chance to read the amendment now offered-I believe that the amendment which the committee agreed to, preventing the retroactive part of the amendment as originally written, does not appear in this amendment as I heard it read.

Mr. SWANSON. As I understand this amendment-

Mr. OWEN. The Senator from Utah is right about that. It does not appear.

Mr. SIMMONS. I think that ought to be inserted.

Mr. SWANSON. I have no objection to that. I think it ought to be inserted. It is intended to make the issues of new securities subject to the moral effect of the approval or disapproval of the proposed committee.

Mr. UNDERWOOD. I was not criticizing the Senator's amendment as it stands, but I do think it is of the utmost importance that there should be nothing in this bill to prevent any man who has already issued bonds and whose bonds are falling due having the right, without going to the Government to ask permission, to renew his bonds if he can do so.

Mr. SWANSON. Without this approval or disapproval?
Mr. UNDERWOOD. Without approval or disapproval.
Mr. SWANSON. I have no objection to that. I think that

ought to be included.

Mr. BRANDEGEE. Mr. President—
The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Connecticut?
Mr. SWANSON. I do.

Mr. BRANDEGEE. I want to say to the Senator from Virginia, who answered the inquiry of the Senator from Alabama and stated that there was nothing in the bill that would prevent a refunding or a reissue of outstanding bonds, that I do not think he is correct about that. It seems to me that the language on page 14, where it states that "no person, firm, corporation, or association "——
Mr. OWEN. But, I will say to the Senator from Connecticut,

that language goes out.

Mr. BRANDEGEE. Mr. President, the Senator stated that there was nothing in the original bill that would prevent the reissue. This would prevent the reissue if it stands, in my opinion.

Mr. SMOOT. Mr. President, I certainly would want this amendment agreed to:

Issues of shares or securities heretofore made, only a part of which have been sold or disposed of prior to the approval of this act, shall not be affected hereby.

Mr. SWANSON. I think that ought to be included.

Mr. SMOOT. That certainly ought to be included in this amendment.

Mr. GALLINGER. Mr. President, I will ask the Senator from Virginia if he does not think the substitute which he has offered ought to be printed, so that we may have an opportunity to read it before it is acted upon?

Mr. SWANSON. I will say that if the Senator from North Carolina desires this bill to go over, and does not want to put it through earlier-I would largely defer to him and to his wishes in that respect-

Mr. BRANDEGEE. I think, as the amendment is very short, it could be printed in half an hour at the Government Printing

Office and sent right up here.

Mr. SMITH of Georgia. In addition to the amendment suggested by the Senator from Utah [Mr. Smoot], there should be added "nor shall this act apply to issues of bonds made for the purpose of meeting maturing securities."

Mr. SMOOT. I will say to the Senator from Georgia that I think that they would not be affected under the amendment, as I

caught its meaning from the reading at the desk.

Mr. SWANSON. The amendment, as I understand, entirely

eliminates the issuance of any license.

Mr. SIMMONS. If the Senator will pardon me, I am inclined to think that this amendment, so far as the question we are now discussing is concerned, is not very different from that amendment. It reads: "Or offering for sale or for subscription, of any issue or any part of any issue of securities hereafter issued." So it does not apply to securities heretofore issued.

Mr. UNDERWOOD. I will say to the Senator from North

Carolina that I do not think that covers the case, because it, at least, might be construed, and probably would be so construed, when you say "securities hereafter issued," to mean securities issued hereafter, not the indebtedness. What I am speaking to is securities issued for the refunding of existing indebtedness.

Mr. SIMMONS. That could be met by simply adding the

words "and shall not apply to renewals."

Mr. UNDERWOOD. I think that would be satisfactory.

Mr. SWANSON. I think that ought to be included; and I will accept that.

Mr. SIMMONS. Insert "shall not apply to renewals."

Mr. SWANSON. I will do so.

Replying to the senior Senator from New Hampshire [Mr. Gallinger]. I will say that this amendment, as I understand, was prepared by gentlemen who had differences and divisions of opinion. I was with them when they prepared and went over it. As I understand it, it eliminates from section 7 the issuance of licenses, and allows this board to pass upon new issues, to give its moral support for their approval or its moral support in disapproval of the issues of new securities. That is the main feature of the amendment.

Section 8 contains the penalties applying to violations of the act, but the penalties do not apply to violations of the rules and regulations promulgated by this board. I have not had an opportunity to study it so thoroughly as I should like to have done, but that is practically the change which is made in this

provision of the bill.

Mr. GALLINGER. Mr. President, what attracted my attention was that apparently the committee having this bill in charge has abdicated its functions, and a Senator not a member of the committee offers an amendment that some of us, at any rate, have not seen. I think we ought to have opportunity to examine it.

Mr. SWANSON. Mr. President, I will say to the Senator that I did not offer this amendment until I had seen Senators who had been antagonizing section 7 and section 8 and also the Senator who is chairman of the committee; and I would not have offered the amendment except with the approval of these gentlemen. The chairman of the committee can, of course, speak for

himself as to how he feels in regard to that.

Mr. GALLINGER. I did not offer my suggestion as a critibut the circumstance I have indicated attracted my attention; that is all. I have been very strongly opposed to section 8 and have had very grave doubt as to the propriety of section 7. I did not expect to be consulted, of course, in any unusual way; but I should like to know exactly what change has been made. The proposed substitute has been amended already three times on the floor, the Senator offering it having accepted three proposed amendments. I think the Senator's amendment is a very great improvement over the original bill as it came from the committee, but whether or not it meets the objection that some of us have is a matter of doubt in my mind because I have not had an opportunity to examine it; that is all.

Mr. SIMMONS and Mr. REED addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Virginia

yield; and if so, to whom?

Mr. SWANSON. I yield first to the Senator from North Carolina

Mr. SIMMONS. As I understand, the substitute proposed by the Senator from Virginia does not change the amendment reported by the committee in any particular except that it eliminates the prohibitory power of the committee and strikes out the licensing provision and substitutes for those two provisions an authorization to do the very things, and the only things, which the present voluntary committee is now doing, namely, it provides that this committee shall investigate all applications for new issues, pass upon them, and determine whether they are compatible with the public interest. All it does in effect

Mr. STONE. At that point will the Senator permit me to interrupt him?

Mr. SIMMONS. Yes.

Mr. STONE. He says that this committee shall investigate all new offerings appearing.

Under rules and regulations to be estab-Mr. SIMMONS. lished: yes

Is there any provision in this amendment that requires new offerings of securities to be submitted to the committee before they are presented to the public?

Mr. SIMMONS. No; it is not mandatory; it is merely intended to require the things to be done that are now being done by the voluntary committee. The language is as follows:

Such committee may, under rules and regulations to be prescribed by it from time to time, with the approval of the Secretary of the Treasury, investigate, pass upon, and determine whether or not the sale or offering for sale or for subscription of any issue or any part of any issue of securities hereafter issued, the par or face value of which issue shall be in excess of \$100,000, is compatible with the public interest.

Mr. STONE. Now, Mr. President, if the Senator will permit me, with the view of getting a consistent provision in the bill relating to this subject, I will ask this question: Suppose a corporation in some part of the country desires to offer its bonds or securities in any form for sale to the public without consulting this committee, as evidently the corporation would not be obliged to do, and the officers of the corporation should go to New York or Chicago, or wherever it might be, and put their

securities on the market-what I wish to know is how would this committee pass upon such securities? How would they know about them unless they should be brought to them? law if passed in this form would not require that they should be submitted to the committee; it would be a voluntary act; but suppose the corporation offering these securities does not care to submit them to the committee?

Mr. SIMMONS. Mr. President, neither is there at present any regulation or law requiring anybody to present his application to the committee now existing under the Treasury Depart-They have the power, though, by rules and regulations, to require that to be done; but whether that be done or not, in the condition of the market it is believed that, in the main, no-

body who does not do that can be able to float securities.

Mr. SWANSON. Mr. President, I should like to say, if the

Senator will permit me-

Mr. SIMMONS. Just a moment. The proposed substitute preserves the present voluntary system which obtains in this country and largely in all the other countries at war. It does nothing more, however, in that respect than what is being done now through the voluntary committee, except that it makes that committee an official body; it gives their action the color, at least, of official action. In the main, the principle of voluntary action on the part of those who wish to float securities will be continued, but with the certainty that if institutions desiring to issue new securities refuse, in compliance with the rules and regulations of this committee, to submit their application to the committee, the banks of the country and the investors of the country will probably not be disposed to invest in their securities. The strength of the system will depend upon its persuasiveness, and its persuasivene's will grow out of the fact that those who do not comply with the rules and regulations of the committee in this respect will probably not be able to sell

their securities. That is what I understand the Amendment is.

Mr. SWANSON. Mr. President, in addition to that, I will say to the Senator from Missouri [Mr. STONE] that the committee can be active or inactive, as the public interest may dictate If conditions are such that they do not see fit to apit to be. prove or disapprove of securities, the committee may permit securities to be sold without their approval or disapproval as I understand the proposed substitute; but if they see that the time has come when the issuance of private securities is inter-fering with the sale of Government bonds or other vital interests of the Nation, the committee, on its own motion, may pass upon any securities offered and give its approval or disapproval, according as the public interest may require. As I understand, the amendment leaves it largely for the committee to determine to what extent its approval or disapproval is necessary in the public interest.

Mr. SIMMONS. Mr. President, I think it can be stated in a nutshell that all it does is simply to continue the present capitalissues committee and to make that committee an official body instead of an unofficial body, as it is now.

Mr. KING. Mr. President, let me ask—Mr. SIMMONS. I say that is all it does.

Mr. KING. I was just about to propound a question, with the Senator's permission. I was not here when the amendment was offered, and I was about to ask the question whether or not it provides that this committee may promulgate rules the violation of which will be attended by any penalty?

Mr. SIMMONS. No; it does not.

Mr. KING. What would be the penalty if the committee refused consent to the issue of certain securities and the securities were issued notwithstanding their disapproval?

Mr. SIMMONS. The only penalty would be that in that case the parties interested would not be able to float their securities on the market.

They might attempt to do so, though. NS. They might attempt to do so. Mr. KING.

Mr. SIMMONS.

KING. But they would have the opposition of this organization?

Mr. SIMMONS. Yes.

Mr. SMOOT. Mr. President—
The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. SWANSON. I yield. Mr. SIMMONS. Will not the Senator allow me to finish a brief statement I want to make?

Mr. SMOOT. I thought the Senator had concluded. I yield to the Senator.

Mr. SIMMONS. Mr. President, this substitute is familiar to me; I have examined it very carefully, and I wish to say to the Senator from New Hampshire [Mr. Gallinger], who is an honored member of the Finance Committee, that I called a meeting of the committee this morning. The Senator came into the room, but for some reason had to retire before we took up the bill.

Mr. GALLINGER. I will say to the Senator that I had an appointment to meet with the Committee on Appropriations at that very hour; and so'I could not remain.

Mr. SIMMONS. I merely make this statement because the Senator seemed to think that he had not been consulted about this matter at all. I presented the substance of this proposed substitute to the committee this morning, and it was discussed in the committee, but the Senator was not present.

Mr. GALLINGER. If the Senator will permit me, it is proper that I should say that I inquired of one or two Members of the Finance Committee after the committee adjourned and they said nothing had been done.

Mr. SIMMONS. We took no action about it, I am going to state that; we discussed it, and, therefore, the purpose of the substitute was known to the members of the committee who were present, and would have been made known to the Senator from New Hampshire if he had found it convenient to remain in the committee. I merely make the statement so that the Senator may not think he has been disregarded.

Mr. GALLINGER. I am not at all sensitive on that matter or any other; it is all right so far as offering the amendment is concerned. My only anxiety was to be granted the privilege of examining it; that is all; looking it over cooly and calmly, and seeing exactly what it contemplates. I think it is better than the original provision of the bill.

Mr. SIMMONS. The main controversy, Mr. President, about this matter has been not with regard to the necessity of some such authority as this, but, in the first place, as to whether this committee should be a voluntary committee such as now exists in the Treasury Department, or a legal body; and, in the second place, whether its power over securities should be of a prohibitory character or whether it should be given merely the power to investigate and to express an opinion to the investing public of the country as to whether proposed issues would be in the interest of the country or against the interest of the country under present conditions.

This substitute creates the committee and gives to it an official status, but does not give it the power of prohibiting issues that may come under its ban. It merely gives it the power, after investigation, of advising the public, for such consideration as the investing public may see fit to give its advice, as to whether, in its judgment, it would be compatible with the public interest to have the new securities thrown upon the market.

Mr. SMITH of Maryland. Mr. President, may I ask the Senator a question?

Mr. SIMMONS. Certainly.
Mr. SMITH of Maryland. Suppose that the parties desiring to issue securities should proceed to place their bonds or other obligations on the market in the face of the advice of the committee, there would be no penalty attached to that action, would there?

Mr. SIMMONS. There is no penalty attached in the proposed substitute.

Mr. SMITH of Maryland. There is no penalty; they can proceed to try to place the securities if they so desire; but, of course, they will have to do so in the face of the judgment of the committee.

Mr. SIMMONS. Yes.

Mr. SMOOT. That is provided section 8 is stricken out of the bill.

Mr. SMITH of Maryland. What is now proposed, as I understand, is to so provide that the decision of the committee shall have a moral effect.

Mr. SIMMONS. That is right.

Mr. SMITH of Maryland. And if the parties issuing the securities violate the rules laid down by the committee no penalty will attach; but, of course, they can not violate the act without becoming subject to the penalties?
Mr. SIMMONS. That is right.

Now, Mr. President, I understand that the substitute for section 7 is to be followed by the Senator from Virginia offering a substitute for section 8. The substitute which he will offer, as I understand, to section 8 will practically retain the present section 8, except it will eliminate from it the penalty that it would impose upon the violation of the orders, rules, and regulations of the committee.

Mr. SWANSON. The Senator is correct. If the amendment I have already offered is adopted, then I will follow it with an amendment proposing a substitute for section 8.

Mr. SIMMONS. Mr. President, as the Senator from New Hampshire [Mr. Gallinges] has indicated, at the meeting of the committee this morning there was no action about this matter, and I am not, therefore, authorized to accept this amend-

ment on behalf of the committee. I wish to say though for myself personally that I shall under the circumstances feel constrained to give my support to this substitute.

Mr. SMITH of Georgia. Mr. President, I wish to offer an

amendment to the substitute.

Mr. BRANDEGEE. Mr. President-

The PRESIDING OFFICER. The Senator from Connecticut. Mr. BRANDEGEE. Mr. President, I wish to inquire whether the Senator from Virginia has offered his amendment, or whether he has simply sent it to the desk with a notice that he would offer it at the proper time?

Mr. SWANSON. I have offered it, and it has been read. It

is offered as a substitute for section 7.

Mr. BRANDEGEE. It is, then, the pending amendment?

Mr. SWANSON. It is.
The PRESIDING OFFICER. The amendment has been

offered and is pending.
Mr. BRANDEGEE. Mr. President, just a minute before the Senator from Georgia [Mr. SMITH] offers the amendment that he proposes. I desire to say a word about the pending amendment, and it is this:

If this capital issues committee is to be appointed with the approval of the Secretary of the Treasury, which means that nobody can get on it that he does not O. K. and does not have confidence in, and if it is to consist of three members of the Federal Reserve Board, who are certainly experts on financial matters, and two other members, to be chosen by the Federal Reserve Board, who will be likewise experts-if you appoint this special capital issues committee of five financial experts, why is it necessary to fetter that commission by placing it under the thumb of the Secretary of the Treasury at every point? He is there at its birth; he is one of the creators of it, the approver of it, and the organizer of it; and yet the bill in its language, as' well as the language of the amendment proposed by the Senator from Virginia, inhibits this committee even from proceeding to investigate a case except subject to the approval of the Secretary of the Treasury. In other words, we have a Secretary of the Treasury who manages the whole Treasury of the United States, who is in the same person the Government director of all the railroads of the United States, who is the head of several other great war activities, and now we propose to place this specially created committee of experts right under his thumb and give him the veto power over its every act and breath during its whole existence. What is the sense of it? Mr. SWANSON. Mr. President, the Senator is mistaken. The

rules and regulations are all that are to have the approval of the

Secretary of the Treasury.

Mr. BRANDEGEE. Mr. President, the amendment itself is now in the possession of the Senator from New Hampshire, and it is the only copy that I know of; but I clearly understood from the reading from the desk that this committee could, subject to the approval of the Secretary of the Treasury, investigate any application for the issuing of bonds, and I submit that it gets on my nerves to set up a Pooh-Bah, no matter how able he may be, and make him the head of every function of governmental activity during this war. I do not care what party he belongs to, or what his motive may be, it is not right, and if this committee is worthy of any existence at all it ought to have an independent existence the same as any other self-respecting committee.

Mr. REED and Mr. SMOOT addressed the Chair. The PRESIDING OFFICER. The Senator from Missouri. Mr. REED. Mr. President, the language of which the Senator speaks is the language which is now in the bill. It has not

been changed,
Mr. BRANDEGEE, Yes; I know that.

Mr. REED. The part of the bill which I now read, and which is repeated in the amendment, is repeated without change until I shall indicate:

That for the purpose of assisting in the prosecution of the war, and providing for the public security and defense, through the restriction of unnecessary capital expenditures, there shall be appointed by the Federal Reserve Board, with the approval of the Secretary of the Treasury, a capital issues committee, to consist of five members, of whom at least three shall be members of the Federal Reserve Board—

A change occurs there, the word "which" being made to read "such committee," which is purely a matter of language and not of difference of idea-

such committee may, under rules and regulations to be prescribed by it-

with the approval of the Sccretary of the Treasury-

under rules and regulations to be prescribed by it, with the approval of the Secretary of the Treasury, investigate, pass on, and determine whether or not—

Such securities are compatible with the public interest. As I understand that-and I confess that its meaning depends somewhat on the punctuation-the committee makes its own rules and regulations, subject to the approval of the Secretary of the Treasury; and then it proceeds to investigate and pass upon public securities.

While I have the floor, if I may-I think I am trespassing on the good nature of the Senator from Utah, and will yield if

he desires

Mr. SMOOT. No; go on. Mr. REED. If you have the bill before you, you will notice that the licensing clause which follows in the bill is stricken out in the amendment. It is omitted altogether; that is, this part is omitted:

Such committee shall, however, grant licenses for any such sale, or any such offering for sale or for subscription, which it shall determine to be consistent with the foregoing purposes.

That is taken out. Then we come to the language of the bill

The terms during which the several members of such committee shall respectively bold office shall be determined by the Federal Reserve Board, with the approval of the Secretary of the Treasury, and the compensation of the several members of such committee who are not members of the Federal Reserve Board shall be \$7,500 per annum, to be paid by the corporation.

That is likewise taken from the body of the bill. Now, if Senators are interested, I will proceed just a word further.

There follows in the amendment this language, which is taken from the bill, which is found a little further on:

Shares of stock of any corporation or any association without nominal or par value shall, for the purposes of this act, be deemed to be of the par value of \$100 each.

That is a clause that is lifted from another part of the lan-

Nothing in this act shall be construed to apply to borrowing by any person, firm, corporation, or association in the ordinary course of business as distinguished from borrowing for capital purposes.

That language is lifted out of the section a little further on, and the Senator from Georgia [Mr. SMITH] has proposed an amendment to include

Mr. SMITH of Georgia. Since the Senator has just read it, if he will permit me to do so, I will read the amendment that I desire to offer following that language:

Nor shall it apply to borrowing to renew or refund indebtedness existing at the time of the approval of the act.

Mr. REED. The next language that we find in here is:

This section shall not be construed to apply to any securities issued by any railroad corporation the property of which may be in the possession and control of the President of the United States.

That language is also taken from the bill.

Nothing done or omitted by such committee hereunder shall be con-strued as carrying the approval of such committee, on of the United States, of the legality, validity, or worth of any securities.

That is taken from the bill. So that, speaking broadly now, the change in section 7 amounts to this: The licensing power is taken away, and any penalties that are prescribed in the bill are taken away, but the committee is given a legal status. and is authorized to pass upon securities. If it does pass upon securities, there is no penalty going with it, except that it is deemed that if this committee declares that the security is inimical to the public interest it will practically destroy the market for that security, and at least it will assure it of no reception by any of the national banks or by this corporation.

Mr. CURTIS. Mr. President-

The PRESIDING OFFICER (Mr. King in the chair). Does the Senator from Missouri yield to the Senator from Kansas?

Mr. REED. I do. Mr. CURTIS. I understood the Senator from Missouri to state that the penalty clause was eliminated. Does the Senator mean all penalty clauses or just those in reference to violations of rules and regulations issued by the committee?

Mr. REED. I am coming now to answer that.

Mr. CURTIS. I thank the Senator.
Mr. REED. As the bill is presented now, with section 8 amended as it is proposed to amend it, the only penalty clause that is left is a penalty for violating the act; and from reading the bill I confess I can not see where that would apply except possibly to an officer of the corporation who loaned money in violation of the provisions of the act.
Mr. STONE. That is about all there is to that,

Mr. SMOOT. Mr. President, there is no doubt but that this amendment is a wonderful improvement over section 7 as reported to the Senate. In effect, it is the voluntary system for which some of us contended yesterday. If I had my way I would strike out section 7 entirely and allow the present committee appointed by the Secretary of the Treasury to pass upon all these issues for the future. I believe the result of

it would be all that we could hope for. I do not believe there will be one thing gained by adopting this provision, with the single exception that the committee will have a legislative standing.

I want to predict now, however, that if the substitute is adopted it will result in the building up of a new bureau, with new offices, hundreds of employees, and the expense will be many, many times greater than if administered by the three members of the Federal Reserve Board under the system now in operation; but of course the expenditure of a few hundred thousand dollars or a few million dollars makes no difference in these days of extravagance and as long as it will give employment to five hundred or a thousand more men or women.

Mr. President, I think there is something in what the Senator from Connecticut [Mr. BRANDEGEE] called attention to; and I intended asking the Senator offering the amendment if he would not agree to one amendment to his proposed substitute by striking out the words "with the approval of the Secretary of the Treasury" in the second paragraph of the substitute. It occurs at two other places in the substitute; but I really believe that if we are going to give the committee any power whatever, and if it is to be a committee in very deed, then we ought to strike out the words "with the approval of the Secretary of the Treasury" as found in the second paragraph of the substitute.

Mr. SIMMONS. Mr. President, I do not know whether it has occurred to the Senator or not, but it seems to me that it is a matter of very great importance that this committee in its work should articulate, so to speak, with the Federal reserve bank and with this finance corporation. They are all necessary factors in accomplishing the purpose which we have in view.

Mr. SMOOT. I agree with the Senator perfectly.
Mr. SIMMONS. The Secretary of the Treasury is ex officio
a member of the Federal Reserve System and of the finance corporation, and he is the responsible head in all the financing by the Government of this situation; and this committee ought to articulate with both of the two bodies through which this

financing is to be done.

Mr. SMOOT. Mr. President, I agree thoroughly with the Senator. I believe they ought to articulate and cooperate in all the actions affecting future issues, and therefore I am not asking that the words "with the approval of the Secretary of the Treasury" shall be omitted in the appointment of the board. They have got to be appointed by and with the approval of the Secretary of the Treasury, and I think that is right.

Mr. SMITH of Georgia. Mr. President, let me ask the Senator whether it would not be better to let the appointment be without the approval of the Secretary of the Treasury, but to have the rules and regulations subject to his approval? Then the appointment would be entirely independent.

Mr. SMOOT. No; I think it ought to be just the reverse. Mr. GALLINGER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. SMOOT. I do.

Mr. GALLINGER. Does not the Senator from Utah think that in these important matters it might be better to have the President approve, rather than the Secretary of the Treasury?

What the Senator from Connecticut [Mr. Brandegee] said in reference to the Secretary of the Treasury appeals very strongly to me. I had marked my bill to move amendments striking out those words in every instance in the original bill. Now, here even the term of office of the members of this board is to be determined by the Secretary of the Treasury. It seems to me that that is a function which the President might better exercise than the Secretary of the Treasury; and by so providing we would get rid of the duplication of language that puts this matter practically in the hands of the Secretary of the Treas-

ury in every instance.

Mr. SMOOT. The reason why I thought I would not move to strike out the approval of the Secretary of the Treasury respecting the terms during which the several members of the committee shall serve was this: The members of the Federal Reserve Board appoint these other two members. The President does not appoint as members of this committee the members of the Federal Reserve Board. The act itself provides for that, and it provides that the Federal Reserve Board shall make the appointment of the other two members; and I thought perhaps it would be well enough to say that the board appointing them should do so with the approval of the Secretary of

the Treasury

Mr. GALLINGER. Might it not be better for Congress to determine the length of service?

Mr. SMOOT. I think that would be better, Mr. President; but when it comes to the question of authorizing this committee to investigate and to pass upon and determine whether or not there shall be sold or offered for sale or for subscription any issue or any part of any issue of securities hereafter made, I think that ought to be wholly within the power of the committee, not with the approval of the Secretary of the Treasury. Not only that-

Mr. SWANSON. Mr. President, if the Senator will permit

I know what the Senator from Virginia is going to say. He is going to say that the rules and regulations are to be made with the approval of the Secretary of the Treasury. But what difference is there? If the board can not make rules and regulations according to its views to investigate as to these issues, the board can not really pass upon them, unless the Secretary approves

In the other places where this language occurs in the substitute I can not see any good reason why it should not be, but in this case it does seem to me that the board ought to have full power, because, in the first place, they are appointed by and with the approval of the Secretary of the Treasury. No member of the board can be appointed unless the Secretary approves it, but after they are appointed it seems to me that they ought to have the power to investigate all issues and pass upon them without reference to the Secretary.

Mr. SIMMONS. Mr. President, I understood that the Senator on yesterday was contending that the present voluntary system was all that was necessary, and he was perfectly willing that

that should be continued.

Mr. SMOOT. Yes; as against section 7 of the bill.

Mr. SIMMONS. Does not the Senator know that all the rules and regulations under which the present committee is operating

must have the approval of the Secretary of the Treasury?

Mr. SMOOT. Well, Mr. President, the law does not say so, and there is no provision that they shall be subject to his approval. It may be true that that is the practice, and I will say to the Senator that perhaps it is the practice; but we have not so stated in the law.

But why put it in this bill, when there is no necessity for it? I do not think there ought to be a provision that could bring about a conflict between the Secretary of the Treasury and the board which is to investigate these issues. I think we ought to say that the board shall have the right to investigate and pass upon these issues, irrespecive of what the Secretary or anybody else says.

If the words were taken out as suggested by me, the amendment would read as follows:

Such committee may, under rules and regulations to be prescribed by it from time to time, investigate, pass upon, and determine whether or not the sale or offering for sale or for subscription of any issue or any part of any issue of securities hereafter issued, the par or face value of which issue shall be in excess of \$100,000, is compatible with the public interest.

Mr. President, I do not desire to take the time of the Senate further on this matter; but while I am on my feet I want to offer the following amendment to the substitute. After the word "interest," insert "issues of shares or securities heretofore made, only a part of which have been sold or disposed of prior to the approval of this act, shall not be affected hereby.

Mr. SIMMONS. That is a provision in the present bill that

is omitted from the amendment.

Mr. SMOOT. Yes; that is a provision that the Senate committee agreed to and reported to the Senate, and it follows in this substitute the same place that it followed in the original committee amendment.

Mr. SWANSON. I will accept that, Mr. President. The PRESIDING OFFICER. The Senator from Virginia accepts the amendment offered by the Senator from Utah to the amendment, as he has a right to do. The Secretary will state the pending amendment as it will read with the incorporation of

the amendment suggested by the Senator from Utah.

The Secretary. After the word "interest," about halfway in the amendment offered by the Senator from Virginia, insert:

Issues of shares or securities heretofore made, only a part of which have been sold or disposed of prior to the approval of this act, shall not be affected thereby.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Utah will be incorporated as a part of the original amendment offered by the Senator from Virginia.

Mr. SMITH of Georgia. Mr. President, I offer as an amendment in the eighth line from the bottom of the page, just before the period in the center of the line, the following:

Nor shall it apply to borrowing to renew or refund indebtedness existing at the time of the approval of this act.

Mr. SWANSON. Mr. President, I will accept that amend-That is included in the bill.

The PRESIDING OFFICER. The Senator from Virginia accepts the amendment offered by the Senator from Georgia. The

Secretary will state it in connection with his amendment.

The Secretary. To come after the word "purposes" and before the period, the Senator from Georgia offers the fol-

Nor shall it apply to borrowing to renew or refund indebtedness existing at the time of the approval of this act.

Mr. GALLINGER. Mr. President, if the matter is in such shape that the Secretary can state the amendment as it is now before the Senate, I should like very much to have that done.

Mr. HARDWICK. Mr. President, does the Senator want the amendment stated now?

Mr. GALLINGER. It ought to be stated at some time. Mr. HARDWICK. I think it ought to be stated before we vote on it, and probably immediately before we vote on it.

Mr. GALLINGER. I will withhold that suggestion until the

Senator from Georgia has spoken.

Mr. HARDWICK. Mr. President, I do not expect to detain the Senate for more than a moment. I think the time has come when we all understand this proposition and are prepared to vote on it. So far as I am concerned, I have been prepared to vote on it for some time.

I think the amendment is a very great improvement over the text of the original bill. It meets, to some extent, two of the most serious of the objections I pointed out on last Friday to this There ought not to be any censorship of business in this country. The power ought not to exist anywhere, in anybody, to say that a man shall not lend to anybody his own money if he wants to, or give to anybody his own money if he wants to give it, or spend his own money in any way he wants to spend it; and the Senate will be going a long way whenever it occu-pies any such position as that, either in time of war or in time of peace.

But, Mr. President, while it is true that this amendment will remove the one most objectionable feature of the bill-namely, the licensing system-and will give to this capital issues committee only the same status that it occupies now, except, possibly, that it will give it legal recognition and probably will be the occasion for spending a little more money; while that is true, it is perfectly apparent now, as it has been all the time, that with these things taken out of the bill, all in the world that we needed was a few simple, common-sense amendments to the banking law. That is what we ought to have had.

So that I can not support the bill, even with the amendments, although the amendments proposed by my friend from Virginia along the lines of the suggestions of a good many opponents of this bill during the progress of the debate are acceptable and, I think, in one way or another remove some of the objections to

Mr. HOLLIS. Mr. President, I believe the amendment offered by the Senator from Virginia is the best present solution of the problem. I shall support the amendment heartily. I do believe it is necessary to have some control over the capital issues in this country, but any control of that sort may be objectionable; it may be abused. We have practically the same control now. That has gone along unofficially. I have not heard any particular complaint that it has been abused. Congress will probably be in session during the most of this year, and if it is abused or if more authority is needed, more can be granted.

I should like to call the attention of the Senator from Virginia to one verbal error in his amendment, as it strikes me. The last sentance reads:

Nothing done or omitted by such committee hereunder shall be construed as carrying the approval of such committee or of the United States of the legality, validity—

And so forth. I think it should read "the approval by such committee or by the United States."

Mr. SWANSON. I accept the amendment.

The PRESIDING OFFICER. The proposed modification will

be stated.

The Secretary. After the word "approval," insert the word "by," and, in the same line, after "or," strike out "of" and insert "by," so as to read: "by such committee or by the United States" States."

Mr. SWANSON. I accept those amendments.

The PRESIDING OFFICER. Without objection, the Secretary will make the modification in the amendment.

Mr. SMOOT. I should like to have the amendment read as amended.

The PRESIDING OFFICER. It will be read.

The Secretary. In lieu of section 7 as amended insert the following .

following:

Sec. 7. That for the purpose of assisting in the prosecution of the war, and providing for the public security and defense, through the restriction of unnecessary capital expenditures, there shall be appointed by the Federal Reserve Board, with the approval of the Secretary of the Treasury, a capital issues committee, to consist of five members, of whom at least three shall be members of the Federal Reserve Board. Such committee may, under rules and regulations to be prescribed by it from time to time, with the approval of the Secretary of the Treasury, investigate, pass upon, and determine whether or not the sale or offering for sale of tor subscription, of any issue or any part of any issue of securities hereafter issued, the par or face value of which issue shall be in excess of \$100,000, is compatible with the public interest. Issues of shares or securities hereafter of the approval of this act, shall not be affected thereby. The terms during which the several members of such committee shall respectively hold office shall be determined by the Federal Reserve Board, with the approval of the Secretary of the Treasury, and the compensation of the several members of such committee who are not members of the Federal Reserve Board shall be \$7.500 per annum, to be paid by the corporation. Shares of stock of any corporation or association without nominal or par value shall, for the purposes of this act, be deemed to be of the par value of \$100 each. Nothing in this act shall be construed to apply to borrowing by any person, firm, corporation, or association, in the ordinary course of business as distinguished from borrowing for capital purposes, nor shall it apply to borrowing to renew or refund indebtedness existing at the time of the approval of this act. This section shall not be construed to apply to any securities issued by any railroad corporation, the property of which may be in the possession and central of the President of the United States. Nothing done or omitted by such committee, nor by the

Mr. McCUMBER. Mr. President, I was out of the Chamber for a short time and I desire to ask the chairman of the Committee on Finance whether or not during my absence the chairman, on behalf of the committee or on behalf of himself, accepted the amendment proposed?

Mr. SIMMONS. I will say to the Senator that I have not accepted it on behalf of the committee, but I have stated that while I had no authority to do that and did not do it, personally I am disposed to support the substitute.

Mr. McCUMBER. Mr. President, we had before us members of the Federal banking board, also the Secretary of the Treasury, who very strongly supported all the provisions of the bill which was reported, and at that time deemed those essential for the proper working out of this scheme of protection to the industries, financial and otherwise, of the country. May I ask the chairman whether or not he has received any word from the Secretary of the Treasury indicating any change of his position on that subject?

Mr. SIMMONS. I have been advised by the Secretary of the Treasury that he would greatly prefer the amendment drawn and reported by the committee, but the Secretary does not feel that the substitute would be seriously objectionable.

Mr. McCUMBER. I understand that information was given directly to the chairman.

Mr. SIMMONS. That statement was made to me by the Secretary over the telephone, and I had that statement from Senators who have conferred with the Secretary.

Mr. HARDWICK. Mr. President—
The PRESIDING OFFICER. Does the Senator from North

Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I yield for a question.

Mr. HARDWICK. Does the Senator feel that we should get the consent of the Secretary of the Treasury for legislation in this Chamber's

Mr. McCUMBER. I was wondering why it was necessary to get the consent of the Secretary of the Trensury also to make an amendment after it came into the Senate. I confess a little bit puzzled, possibly because the committee included myself as not having been sufficiently disciplined to follow even our chairman in all the suggestions which have been made here.

Mr. President, every objection was fully discussed in the committee that has been made upon the Senate floor. I did not agree to every one of the provisions of the bill, but I did feel that when we came back into the Chamber with the bill the chairman ought not to carry under his coat a white flag that might be displayed whenever opposition seemed to grow in the Senate. It seems to me that before we abandon a bill entirely we ought at least to have a vote upon the particular sections which the committee as a whole have reported.

There are several other provisions of the bill that do not strike me favorably. I objected, for instance, as strongly as I could to paying a \$12,000 salary to the other persons who are to be placed upon the board. I do not wish to urge it in the Senate, because I did not make a minority report. If the Secretary of the Treasury desires it to be \$12,000, I do not suppose my voice as a legislator could go very far, even in the Senate of the United States. I simply regret the position we are placed in in reporting a bill practically unanimously and then surrendering the principal features upon the floor without even

Mr. LODGE. Mr. President, of course the amendment offered by the Senator from Virginia to section 8 is immediately connected with the amendment as a substitute for section 7. should like to ask the Senator from Virginia whether in his opinion the penal section applies to the authority granted to the board which is to investigate the new issue of capital?

Mr. SWANSON. I have not offered an amendment to sec-

tion 8, which is the penal section.

Mr. LODGE. I understood the Senator was going to offer it. Mr. SWANSON. My understanding is that the substitute amendment for section 8 will not apply to the violation of any rule or regulation of any department. It applies to a violation of the specific act itself.

Mr. LODGE. Would it apply to the determination reached by section 7?

Mr. SWANSON. It would not, I think. I understand it applies simply to a violation specifically of what is included in the act. It may in morals discountenance an Issue of these securities, but section 8, as proposed to be amended by me,

would not apply to it. Mr. LODGE. My understanding is that the amendment

offered as a substitute for section 8-

Mr. SWANSON. I have not offered it.
Mr. LODGE. I know, but it will be offered—I understand it provides for any violation of the act. The act confers upon the board power to pass upon, investigate, and determine. Suppose they determine that an issue of bonds laid before it is not for the public interest and the people who desire to issue those bonds go on and make the attempt to place them, do they

come under that punitive section?

Mr. SWANSON. They would not, because that is entirely voluntary, and there is nothing to prohibit them. All that is done in section 7 is to get a moral approval or disapproval of the issue.

Mr. REED. The Senator is of the opinion that section 8 as it is about to be offered would apply a criminal penalty only to some act that is expressly prohibited by the statute we are about to pass. That is to say, if we find in the statute a command that officers of a corporation shall do a certain thing in a certain way and they should do it in a different way they might come within this penalty.

Mr. McCUMBER. I call the Senator's attention to a specific

Instance where it will apply. The Senator will note the language on page 5, "no director or officer of the corporation shall in any manner participate in the determination of any question affecting his personal interests," and so forth. It would apply in a case of that kind.

Mr. REED. It will apply there, and it would probably apply if the officers of a corporation were to advance more than 75 per cent of the market value of the securities, and do it willfully. I am speaking now of the class that do not come within 100 per cent. Do I understand that the Senator from Virginia who offers the amendment agrees that the provisions of section 8 would not apply to a citizen who had asked to have securities approved and they had been disapproved, or who was handling securities that had been disapproved by the board and con-demned as incompatible with the public interest? There is nothing in the criminal penalty that would apply to that citizen if he thereafter undertook to sell or otherwise handle those securities. That is the position of the Senator from Virginia?

Mr. SWANSON. I fully concur with the Senator in that contention, because in order to have the penalty applied the man must violate a provision of the act. There is nothing in the act or in section 7 offered forbidding it. If they make rules and regulations, the penalty would not apply to it.

Mr. LODGE. I asked the question because I wanted to be very sure that it was understood in that way. Sometimes, not always, the court will look at what was said in Congress in order to gather the intent of Congress in interpreting an act, and I wanted to make of record the intent as I understand.

Mr. REED. I desire to concur in the construction that has been placed upon the language and to concur in it with the express purpose manifested by the Senator from Massachusetts to the end that there shall never be any question hereafter as to the purpose of those who vote for the bill that it shall be lim-

ited to a violation of the act itself.

In this connection I call attention to another fact. It will be observed that we are striking out the language I quote now

Or of any license, order, or of any rule, or regulation issued and duly published hereunder, or whoever shall willfully violate, neglect, or refuse to comply with any such license, order, or of any rule, or regulation issued and duly published hereunder.

Mr. LODGE. Those words go out, which I understand the Senator to read. It would be impossible to attempt to prosecute a man on the ground that he had violated a regulation or a rule.

Mr. REED. I think so. That is my opinion. Mr. OWEN. That has been the understanding of those who have agreed on this measure.

Mr. LODGE. I thought it well to have it in the RECORD. Mr. GALLINGER. Mr. President, I want to inquire of the

chairman of the committee or of the genial Senator from Virginia, who seems to have charge of the bill at the present moment, whether it is the intention to try to pass the bill to-day Mr. SIMMONS. Mr. President, with reference to what the

Senator said about the Senator from Virginia, I assume it is the common practice in this body where a Senator offers a substitute that he has charge of it, for the purpose of accepting or rejecting an amendment to it. I have not interfered with the Senator from Virginia in the matter of his accepting amendments to his substitute. In reply to the Senator's inquiry as to whether we expect to pass the bill to-day, I wish to say to the Senator that I do sincerely hope we shall reach a vote this after-

Mr. GALLINGER. Then I will modify the question and ask the Senator from Virginia if it is his purpose to urge an im-

mediate vote on his substitute.

Mr. SWANSON. I shall ask for an immediate vote upon it.

Mr. GALLINGER. I asked that question for this reason: If the bill is to be voted upon to-day, there will be no opportunity to make a critical examination of the substitute. If it is to go over until to-morrow, the substitute will appear in the Record and we would have an opportunity to give it careful considera-tion. If the bill is not to be voted upon to-day—and that is the purpose of my inquiry and it is a proper inquiry—there will be an opportunity, if this substitute should be agreed upon at the present time, to move to amend it in the Senate when the bill gets into the Senate; but if it is to be agreed to at the present time and the bill is to be passed to-day, there will be no such opportunity. I think we are entitled to that consideration and that we should have an opportunity to examine a substitute that is not in print, that is offered at a time when some of us had no knowledge of the fact that it was to be offered, and it is only a proper request that we should have a chance to examine it before the bill receives the approval of the

Mr. SWANSON. The final disposition of the bill is left with the senior Senator from North Carolina [Mr. SIMMONS], the chairman of the committee. I am anxious to have a vote on this amendment, but I will be controlled as to the time when a vote shall be had by the wishes of the Senator from North Carolina, who has charge of the bill.

Mr. GALLINGER. Mr. President, while I am on my feet I want to express the hope that was mildly suggested by the Senator from Ohio [Mr. Harding] to-day that the time may come when the committees of this body will undertake to formulate bills, and not have them formulated at the other end of the Avenue and sent to us with an urgent demand that we shall enact them into law. I believe that if this bill had been framed by the Senator from North Carolina [Mr. Sim-MONS], as chairman of the Committee on Finance, or the Senator from Oklahoma [Mr. Owen], as chairman of the Committee on Banking and Currency, we would have had very much less trouble than we have had in considering it during the last two or three days and it would have been a better bill, in my judg-

We are told to-day that the Secretary of the Treasury has conferred with certain Senators and suggested certain amendments, and that the Secretary of the Treasury thinks we ought to pass this substitute. For my part I resent such interference. I think it is not right. I think we are abdicating our functions, and I earnestly believe that the time will come, and not in the distant future, either, when Congress will assert its right to frame its own bills and legislate in its own way, subject to the approval or disapproval of the President of the United

I repeat, Mr. President, I think we have a right to examine as critically as we may think proper the proposed substitute before we vote upon the final passage of the bill, and that is

all I ask. all I ask.

Mr. SIMMONS. Mr. President, I am exceedingly anxious that the bill should not be delayed. I think the public interest requires its speedy passage. We have now had it under consideration for nearly two weeks. The particular subject dealt with in the substitute is one that has been most thoroughly discussing it. cussed in the Senate. We have spent several days discussing it, and it seems to me it is very easy to understand the changes that the substitute proposes to make in the amendment of the com-

mittee which we have spent so much time in discussing, not see that it is necessary to postpone action on the bill for a day on account of the substitute under the circumstances.

It has been very common in legislation here when a substitute has been offered which changes the text of the bill, if it is so complicated and so difficult that it takes a long time to understand what changes have been proposed in the substitute, that that is given as a reason why it should not be acted upon, but I do not think that that is this case.

Mr. OWEN. I wish to suggest to the Senator, since the Senator from New Hampshire only desires an opportunity if he finds it necessary to offer an amendment in the substitute after the bill passes from the Committee of the Whole, we might proceed with the matter up to the very point of the passage of the bill and then let it go over for the Senator from New Hampshire to have an opportunity to look at it. Then it would come up in the Senate to-morrow morning the first thing.

Mr. SIMMONS. I would have no objection to that course, and I would have no objection if we could have a unanimousconsent agreement to vote on the bill to-morrow.

Mr. GALLINGER. So far as I am concerned, I would be very glad to agree to that, because I am quite as anxious as the Senator from North Carolina for this legislation. I believe it is absolutely necessary legislation in its broad features, but at the same time I do not think that we ought to rush it through to-day, especially in the face of a substitute which we have not

seen in print.

Mr. SIMMONS. If it is satisfactory to the Senate that we shall proceed with the consideration of the bill with the understanding that the final vote in the Senate will not be taken until to-morrow

Mr. GALLINGER. That is entirely satisfactory to me. Mr. SIMMONS. That course will be satisfactory to me.

Now, Mr. President, let me, before I take my seat, make reference to some remarks somewhat personal to myself. I have followed very closely the proceedings of this body, and I think I am pretty familiar with the situation here. I recognize the fact, Mr. President, that legislation in this and every other legislative body in the world is very largely the result of compromise. For reasons that I think it unnecessary to go into I have had the view, and have had it for some time, certainly since early yesterday afternoon, that it would be necessary in some way to compromise this measure if we were to secure any legislation at all.

Before the Secretary of the Treasury had expressed an opinion about this matter my mind upon that question had been made up. I did not express a purpose to support this substitute because the Secretary of the Treasury approved it. I intend to support it because I approve of it as a compromise measure. prefer the amendment as reported by the committee, but as a matter of settlement and a satisfactory adjustment of this very much disputed question I am of the opinion, independently of the views of the Secretary of the Treasury about it, that the substitute ought to be adopted.

Mr. President, so far as the Finance Committee is concerned, it is the common practice in this body that members of a committee reporting a bill may exercise their judgment as to amendments or substitutes offered upon the floor of the Senate. I have not understood that a member of the committee was compelled to stand here and vote against his judgment upon a substitute or an amendment because it was in conflict with something the committee had reported. Members of the Finance Committee have risen on the floor of the Senate and asserted their independent right in this respect. It is a right that ought not to be abridged; it ought not to be challenged. I think that I as chairman and as every other chairman of a committee in this body have the same right in these respects as the members of the committee. It can not be that a member of a committee may exercise his judgment in the vote that he casts upon a substitute for an amendment of the committee and that the chairman of the committee can not do the same thing. I understand that he is limited in this way, that he can not accept an amendment in the name of the committee unless he is authorized to do it.

In taking the position I have assumed on this matter, I have taken it upon my independent judgment. Of course, the views of the Secretary of the Treasury with regard to this matter are persuasive with me. I stated when I introduced this bill that it was introduced as an administration measure; that it was a scheme which had been worked out by the Treasury Department under the direction of the Secretary of the Treasury to enable the Government to come to the assistance of the industries of the country and of the security market of the country.

Therefore, Mr. President, the legislation having come from that source, I think the views of the Secretary of the Treasury with respect to the effect upon the scheme which he has presented and asked the judgment of Congress upon are entitled to respect, but they do not control. The committee saw fit to amend the bill in particulars wherein they did not agree with the Secretary of the Treasury. The committee may change it now in particulars wherein the Secretary of the Treasury might differ, but I think under the circumstances, as he is the man responsible for the financing of the Government and as this is a recognized administration measure, the opinion of the Secretary of the Treasury ought not to be resented by Senators, and his suggestion of an emendation of the measure ought not to be resented by Senators.

Mr. President-

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I yield.

Mr. KING. I agree with the last statement of the Senator, and I wish to state in this connection that I think the Secretary of the Treasury is one of the ablest of the officials who ever occupied that position. But what I rise to inquire is whether the committee in the consideration of this very important subject examined the present fiscal system, especially the Federal reserve regional bank system, and determined after full investigation that that law could not be so amended as to effectuate the same results which are sought in this bill?

I have read the proposed substitute of the Senator from Okla-homa, and it seems to me that we could have accomplished the same results by amending the Federal reserve law as are sought to be accomplished by this bill. We could have done it without creating another agency or instrumentality, and have done it in a way that would have been far better for the country as a whole. These bills providing for a central bank will tend to congest all financial matters in this one region or one section, and of necessity will be discriminatory against the policy which was sought to be engrafted into the statutes in the Federal

reserve law.

Mr. SIMMONS. Mr. President, I will say to the Senator from Utah that the committee did not directly have a proposition of that sort before it, but I think the trend of the hearings will indicate that the committee gave consideration to the question. I know that personally I have given a great deal of consideration to that question and have discussed it with members of the Federal Reserve Board, with the Secretary of the Treasury, and others, and I am absolutely certain that an amendment of that sort would not accomplish the purpose, but that, on the other hand, it would undermine the fundamental principles of the present reserve system.

Mr. GALLINGER. Mr. President, the Senator from North Carolina [Mr. Simmons] took the observations I made more seriously than I think he ought to have done. I have no disposition to do injustice to any officer of the Government, but I am rather old-fashioned in some of my views. That is my mis-fortune, no doubt. I have not "kept up with the procession." I have read the Constitution of the United States, which states that the President shall recommend to Congress matters of public concern, and he never hesitates to tell us what he thinks

about legislative action.

As I look upon this bill, Mr. President, it is one of the most important measures that has come before Congress for its consideration since the beginning of the war, and I would much have preferred the President to have sent a communication here in the old-fashioned way or to address Congress, as he has been in the habit of doing, in this matter and then leave it to Congress to formulate the measure; of course, upon consultation with the officials of the Treasury Department. But that was not done; and I am not going to multiply words in saying that I think the system is a bad one, into which we have, perhaps, inadvertently fallen.

Mr. SIMMONS. I wish to ask the Senator from New Hampshire is it not one of the most common practices here on the part of all committees of the Senate to constantly refer bills which are presented here to the departments which they affect

Mr. GALLINGER. It is a very good practice. Bills formulated in either House of Congress and going to a committee, as a rule, should be referred to the head of the department having jurisdiction over the subject. That was my habit when I was chairman of a committee of some consequence in the Senate. All such bills were referred to the head of the department or the officials of the Government having jurisdiction over that particular subject. That is undoubtedly a good custom; but I do not think it is a good custom to have it understood that bills can be formulated in the departments or at the White House. if you choose, to be sent to Congress with the statement accompanying them that it is necessary for Congress to act speedily in the matter, because the administration wants it done. I think it is a vicious habit, and I believe the time will come when it will be changed.

I recall when the late Senator from Idaho, Mr. Heyburn, sat at my right, with what indignation he resented that habit, which we were then falling into to some extent, and, if he were here to-day, I know exactly what he would say about the present situation. But we have passed that point; it has become a habit; and we have a bill here that was formulated by the department and sent to us with the suggestion that we should

rush it through, and we have done the best we could to pass it.

The Senator from North Carolina will not deny, nor will the Senator from Virginia nor any other Senator deny, that we have spent time to great advantage in discussing this bill. The Secretary of the Treasury will hardly recognize his child when it reaches the President for his official action, provided the conferees on the part of the Senate stand by the action of this body. I am glad that the bill has been discussed as it has been

and I am glad that it has been amended.

Mr. SIMMONS. Mr. President, if the Senator from New Hampshire will pardon me, I want to say that, while I think this licensing section—that is the term, I believe, that has been used in speaking of it, though it is not a licensing section, but it is a substitute—while the section under consideration is, in my judgment, important, as I have tried to impress upon the

Senate this morning, the real important part of this legislation is not these two sections, but it is the balance of the bill.

Mr. GALLINGER. Mr. President, I agree absolutely with the Senator from North Carolina on that point, and if it were not for the balance of the bill we would not be wasting time

here in discussing the licensing clause.

But, Mr. President, I have said about all I care to say. the Senate thinks it wise to adopt, as in Committee of the Whole, the substitute which has been offered by the Senator from Virginia, with the understanding that on to-morrow there will be an opportunity to amend it, if we see fit to undertake to do that, I am content.

I want to say to my good friend, the Senator from North Carolina, the chairman of the committee, that in any observations I made a little while ago I had no intention at all of reflecting in any way upon him. I have served on a great many committees of the Senate and it is a pleasure for me to say that I never have served under a Senator who was so courteous, so kind, so considerate of the rights of each individual member of the committee as has been the Senator from North Carolina. I want him to know that I have not intended to make any observations that could in any way reflect upon his management of this bill or upon his management of any of the

Mr. STONE. Mr. President, before the Senator from New Hampshire takes his seat, if I may, I desire to say that I understood the Senator to state that on to-morrow there will be some opportunity of considering this very question now under consideration. I have been called out of the Chamber for half an hour or more, and I desire to ask, Is there an understanding of

that kind?

Mr. SIMMONS. I would state to the Senator from Missouri that, at the suggestion and request of the Senator from New Hampshire, there was an understanding between him and myself that we would, so far as his objection was concerned, proceed with the vote upon this substitute, but that there would not be a vote upon the committee amendment in the Senate until to-morrow; that is, that we would proceed, if we could do so, to act as in Committee of the Whole upon this and any other matters that may arise.

Mr. STONE. To-morrow?

Mr. SIMMONS. No; to-day.

Mr. STONE. What are we to do to-morrow under this understanding?

Mr. SIMMONS. If the Senate, as in Committee of the Whole, acts upon the bill to-day, it will be then halted until to-morrow, when we shall take the vote in the Senate.

Mr. GALLINGER. On the final passage of the bill. Mr. SIMMONS. On the final passage of the bill.

Mr. GALLINGER. I will say to the Senator from Missouri that, in response to the suggestion of the Senator from North Carolina, I intimated my entire willingness to have a unanimous-consent agreement to-day, if no other Senator objected to it, to take the final vote upon the bill at some hour to-morrow.

Mr. STONE. And the matter would be open for discussion to-morrow? Is that the understanding?

Mr. GALLINGER. I think so; yes.
Mr. STONE. I mean, there would be no complaint or criticism or objection to any Senator discussing the bill and stating his views on it to-morrow?

Mr. GALLINGER. Not at all. Mr. SIMMONS. The bill would be open to any amendment that might be reserved, as I understand.

Mr. SMITH of Michigan. Mr. President-

The PRESIDENT pro tempore. The Senator from Michigan. Mr. SMITH of Michigan. Mr. President, I have looked this susbtitute over rather hastily, but, if I gather its full purport, it has entirely eliminated from section 7 the license principle?

Mr. SIMMONS. Yes,
Mr. SMITH of Michigan. The issuance of any licenses or
the withholding of licenses is entirely eliminated from the act. I think another clause has been added exempting a concern in the midst of its refunding operations. Am I right about that?

Mr. SIMMONS. Yes; the Senator is right about that. I will say to the Senator that the committee which is now in existence has never interfered with such refunding, and we were told that it was not their purpose to interfere with issues for refunding. That was not in the original bill, Mr. SMITH of Michigan. I think the amendment goes even

a step further than that and provides that borrowing on undertakings already entered upon, although not completed, may

go on.

Mr. SIMMONS. That is in the original bill.

Mr. SMITH of Michigan, Mr. President, I want to say just a word now to the Senator from North Carolina, who seems to be a little sensitive about some remarks which have been made here. I do not think he ought to be sensitive at all. I think he ought to feel complimented upon his willingness to listen and to hear what has been said, and to lend his assistance to the perfection of this really important bill. that the discussion, if it has had any effect at all, has had the effect of driving this autocratic license system out of the bill. That is an achievement which latitude of debate has fully

So far as I am concerned, I think the measure has been greatly improved, and I want to compliment the Senator from North Carolina for it. I do not know whether he drafted the amendment, or who drafted it, but wherever this ray of light came from it is entitled to be received with satisfaction and appreciation. We, in the midst of a great crisis, whatever is necessary to be done to win this war should be done and done promptly. Old idols must be put aside and the situation met in the broadest spirit, and met without unnecessary delay; whoever administers this law will do it with an eye single to the public good. Under ordinary conditions I could never vote for such a bill, but the occasion is so extraordinary that I feel it my duty to give the measure in its present form my support.

The PRESIDENT pro tempore. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Virginia [Mr. Swanson] as amended.

The amendment as amended was agreed to.

Mr. SWANSON. Mr. President, I desire to offer the substitute to section 8, which I send to the desk. I ask that it may be read.

The PRESIDENT pro tempore. The Secretary will read as

The SECRETARY. As a substitute for section 8 it is proposed to insert the following:

That whoever shall willfully violate any of the provisions of this act shall, upon conviction in any court of the United States of competent furisdiction, be fined not more than \$1,000, or. If a natural person, imprisoned for not more than one year, or both, and any officer, director, or agent of any corporation or association, or member of any firm who shall knowingly participate in any such violation, neglect, or refusal shall be punished by a like fine or imprisonment, or both.

Mr. THOMAS. Mr. President, that amendment, if I understood it correctly, would subject a natural person to a much heavier penalty than a corporation. A corporation can only be fined a thousand dollars in the event it disregards the provisions of the law and is convicted, while a natural person can not only be fined a thousand dollars under similar circumstances, but as well can be imprisoned for a year. That is not right,
Mr. SWANSON. If the Senator will permit me, the officers

of a corporation who violate the law are subject to the same penalty as the individual.

Mr. THOMAS. Then, why should we say anything about "a natural person"?

Mr. SWANSON. We could say "a corporation," because a

corporation can only operate through its officers.

Mr. THOMAS. That is very true, but an individual may not be an officer of a corporation, and at the same time he may violate some provision of the law.

Mr. SWANSON. The provision is similar to that contained in the bill as it was reported from the committee of which the Senator is a member. The only difference is that the amend-

this amendment that fact should not prevent us from amending the proposed substitute so that the penalty will be the same in the case of an individual as in the case of a corporation.

Mr. SIMMONS. It is the same, Mr. President, as in the

original bill.

Mr. THOMAS. Let us see. It provides-

That whoever shall willfully violate any of the provisions of this act shall, upon conviction in any court of the United States of competent jurisdiction, be fined not more than \$1,000—

That is the penalty which is provided by this proposed amendment; that is the penalty and sole penalty that would be inflicted upon those who are not natural persons; that is to say, corporations

Mr. SWANSON. As I understand, the fine would apply both to corporations and to individuals.

Mr. THOMAS. Certainly; but the amendment provides fur-

if a natural person, imprisoned for not more than one year, or

Mr. SWANSON. I suggest that the Senator read a little further.

Mr. THOMAS. Very well. The amendment proceedsand any officer, director, or agent of any corporation or association, or member of any firm, who shall knowingly participate in any such violation, neglect, or refusal shall be punished by a like fine or imprisonment, or both.

That is merely surplusage, because an officer, director, or agent of a corporation is a natural person and must be, and if this section be designed to apply only to natural persons, then the use of that expression is entirely superfluous.

Mr. SWANSON. Mr. President, if the Senator will permit me, a corporation will have to pay a fine if it violates the law, and then when it comes to that the officers of the corporation will have to suffer the penalty.

Mr. THOMAS. A corporation will have, upon conviction, to pay a \$1,000 fine, but a natural person, if convicted, may be imprisoned for not more than one year and fined in addition.

Mr. McCUMBER. Mr. President, may I ask the Senator from Colorado a question?
The PRESIDENT pro tempore. Does the Senator from Colo-

rado yield to the Senator from North Dakota?

Mr. THOMAS. Yes.

Mr. McCUMBER. I should like to ask the Senator to point out anything in the bill as it now stands which commands a corporation to do anything or prohibits a corporation from doing anything. I want to know what provision there is in the bill which a corporation as such could violate?

Mr. THOMAS. If there be no provision in this bill which a corporation can violate, there is no need at all of using the words "natural person"; there is no need of making any distinction between artificial and natural persons.

Mr. McCUMBER. I want to suggest to the Senator that we might as well strike out reference to corporations entirely.

Mr. THOMAS. The word "corporation" does not appear to be necessary. If a special penalty different from the general penalty in the bill is made to apply to natural persons, then the implication is that corporations are included or may be included in the operation of the bill.

Mr. SMITH of Georgia. Suppose we strike out the words "If a natural person."

Mr. THOMAS. I was just going to suggest that if the words "if a natural person," in line 4, are eliminated, the objection which I am urging will be removed.

Mr. SWANSON. I accept the amendment. Mr. THOMAS. Then I move that the words "if a natural person" and the commas after the word "or" and after the word "person" be stricken from the proposed amendment, Mr. REED. And the word "and" inserted,

Mr. SMITH of Georgia. That is not necessary.

Mr. STONE. So that it will rend how? The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Colorado to the substitute amendment offered by the Senator from Virginia.

Mr. UNDERWOOD. I should like to have the amendment

The PRESIDENT pro tempore. The Secretary will state the amendment.

The Secretary. In line 4 of the proposed substitute it is proposed to strike out the words "if a natural person" and the commas, so as to read:

Senator is a member. The only difference is that the amendment now offered eliminates any penalty for violation of rules or regulations.

Mr. THOMAS. I understand that perfectly, but if the bill which the Senator says I joined in reporting is the model for

The amendment to the amendment was agreed to.

Mr. SMOOT. Mr. President, I desire to ask the Senator offering the amendment if it would not be well to strike out all after the words "imprisoned for not more than one year or It is simply a repetition. The provision before that covers any violation.

Mr. REED. I think the remainder of the amendment ought

to go out.

Mr. SMOOT. That is my opinion.

Mr. SWANSON. I do not know to what extent it would exonerate officers of corporations in case they should violate the law; but if Senators in charge of the bill think that there is no corporation affected by this provision, I can see no use of retaining the language.

Mr. SIMMONS. I do not think there is any corporation that

would be affected-

Mr. SWANSON. Then I accept the amendment. Mr. SIMMONS. The Senator did not permit me to finish my sentence—that would be affected by any violation of section 8, but I have not gone over the remainder of the bill for the purpose of seeing whether there may not be some corporations which would be affected by other sections of the bill.

Mr. SMITH of Georgia. The word "corporation" is not The amendment would apply only to those who could violate the act; and I think it only applies to persons.

Mr. SMOOT. The Senator is right.

Mr. SMITH of Georgia. I do not think there is any serious

objection to the language, however, being left in.

Mr. SMOOT. I do not think there is any necessity for repeating that language, because the wording preceding the portion which reads "and any officer," and so forth, is so plain and direct that it covers anybody who might violate any of the provisions of the act. I think that the last part of the amendment is a limitation, if anything.

Mr. SMITH of Georgia. I do not think that. It is a more definite indication that action by the officers of a corporation looking toward doing something that the law did not permit, be treated as an individual act and, therefore, I think that is the only effect that the language would have, but I would myself hold that that would be the effect of the provision in any event.

Mr. SMOOT. Certainly; and I think that the words ought

Mr. SMITH of Michigan. Mr. President, I should like to ask what provision of this law can be violated so as to subject a person to fine or imprisonment? If I recollect aright, the only one who can be brought within the purview of this law is an officer of the Government in case he should do something prohibited by the act.

Mr. SWANSON. If the Senator will permit me

The PRESIDING OFFICER (Mr. New in the chair). Does the Senator from Michigan yield to the Senator from Virginia?

Mr. SMITH of Michigan. Yes.

Mr. SWANSON. The bill provides in another place that-

No director or officer of the corporation shall in any manner participate in the determination of any question affecting his personal interests, or the interest of any corporation, partnership, or association in which he is directly or indirectly interested.

Mr. SMITH of Michigan. A director or officer who violates that provision is the only person under this act who can be fined or imprisoned, with the possible exception of the case where there is an acceptance of a pledge for more than 75 per cent of its face value. Is not that so, I will ask the Senator from Missouri?

If the Senator will pardon me-

The PRESIDING OFFICER. Just a moment. Does the Chair understand the Senator from Virginia has accepted a further amendment?

Mr. SWANSON. I do not accept that amendment. know to what extent it might exonerate officers of a corporation, and I have not looked into it thoroughly. I think if an officer of a corporation violates the proposed law, he ought to be punished as much as an individual, and, as I have said, I have not looked into it sufficiently to determine that question. If it is surplusage and there is no necessity for it, it can be corrected when the bill reaches the Senate or in conference.

Mr. SMITH of Michigan. I do not see how an officer of a corporation can violate the proposed law; there is nothing for a corporation to do under the law; the corporations are not referred to in the law. The entire matter turns upon the question of the power of this committee to approve or disapprove of an

application made to it.

Mr. REED. Mr. President—— The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Missouri?

Mr. SMITH of Michigan. Yes; I yield to the Senator from Missouri, because he has given the matter a great deal of thought.

Mr. REED. I think I can perhaps suggest a reason why it is wise to leave these words in. I believe that if the officers of the corporation we are creating by this bill were to do things in violation of the provisions of the bill—and attention has been called to two or three clauses of the bill they might violate—then, if this language is left in the bill, any one of those officers who concurs in an act which results in a violation by the corporation we are creating of some provision of the law would become thereby liable. So I think we had better leave the language in.

Mr. SMITH of Michigan. Very well, Mr. President.

Mr. HOLLIS. Mr. President, now that we are on the question of the violation of the proposed law and the punishment therefor, I direct the attention of the chairman of the committee to the fact that this bill creates a financial corporation, which I consider a bank, gives it millions of dollars, and does not provide a penalty for embezzling or appropriating the funds of the institution. This being a Federal statute, the common law would not apply to it; and it is necessary, just as we have done in the case of our national banks, to provide penalties to be imposed for misappropriation of funds. I found that out at the time the farm-loan act was under consideration. It was called to my attention by an official of the Treasury, who said that there was no provision in the Federal reserve act for punishing the embezzlement or misappropriation of funds of the Federal reserve banks. I think that there should be such a provision adopted in connection with this bill; and, if the chairman agrees with me, I shall be very glad to prepare such a provision and offer it to-morrow.

Mr. SIMMONS and Mr. THOMAS addressed the Chair. The PRESIDING OFFICER. The Senator from Colorado.

Mr. THOMAS. Mr. President, I wish merely to say that I think the provisions of the Criminal Code cover all cases of embezzlement and are sufficiently comprehensive for the pur-

Mr. SIMMONS. Mr. President, I must confess that the statement of the junior Senator from New Hampshire [Mr. Hollis] somewhat amazes me. He may be correct about it, however; but these are Government funds in a sense, and that the embezzlement of such funds would not be such an offense as the courts could take jurisdiction of seems to me to be almost incredible. It may be true; but I have not investigated that question, and I understand the Senator says he has

Mr. HOLLIS. I can show the Senator that I am correct. The very reason for establishing this central bank or finance corporation is because we do not want to put the Government into the banking business. We organize a separate corporation, and the Government is merely the stockholder. The Government does not own the funds—the corporation own, the funds and if they are misappropriated they are not Government funds but they are funds belonging to a corporation.

Mr. REED. I understand that there is no amendment to the amendment now pending. In view of that, and in order to clear up a matter that has been much discussed here to-day, I want to offer an amendment to the proposed substitute.

There is a doubt expressed upon the floor of the Senate as to whether or not the criminal penalty, as it is now drawn, would apply to those who might sell securities that the board condemned, and, in view of the mere suggestion of that doubt, I think we might as well remove it. Accordingly, I move to add at the end of the proposed substitute the following language:

Provided, That the violation of any rule, order, or decision of the capital issues committee shall not be held to be a violation of this act,

Mr. SMITH of Georgia. Mr. President, we struck out all of the provisions about license. We struck out all of the provisions about rules. We have omitted it all. Now, when we have omitted it and exempted it, why say that it shall not be a violation of the act not to comply with it?

Mr. REED. Just to be sure.
Mr. SWANSON. Mr. President, it seems to me that the effect of this will come from the moral support the people will give to what the board does. I do not think we should put in the bill an advertisement that they should pay no attention to any recommendations that are made. I believe that is the law, but I see no necessity for putting it in. This amendment has been agreed to by various gentlemen, and I introduced it understanding that there was an agreement, and it seems to me that the agreement ought to be carried out.

I hope the Senator will not insist on his amendment.

Mr. REED. Mr. President, I know a good deal about that agreement. I know that the purpose was to eliminate any possibility of penalizing any citizen for a mere violation of the ruling of the board. That was to be left without any penalty, and I though, the language perfectly clear, but good lawyers and Senators have suggested a doubt, and in view of the suggestion of the doubt it ought not to be left open to question in the future. I hope there will be no objection to the language proposed going in.

Mr. SIMMONS. Mr. President, does the Senator, as a lawyer,

believe that that is necessary?

Mr. REED. I have already said that I thought the proper construction of the bill would be such as to make this not necessary, but several Senators, good lawyers, have suggested to me that they want that possible doubt removed, and I therefore hope my amendment will be adopted,

Mr. SIMMONS. Mr. President, I can not see how the question could be a serious one, in view of the fact that this committee can do absolutely nothing but investigate and find that the issue of a security is or is not compatible with the public interest. There its functions end; there its findings end; and I do not see what there is to violate. Whether a man will or will not take their advice or act upon their suggestions is left absolutely discretionary. There is not a single element of compulsion about it.

Mr. REED. I am offering the amendment out of an abundance of caution. I have learned, in drawing contracts and papers, when I find candid men arriving at a construction different from the one I thought the words implied, that it is very well I hope there will be no objection to putting in this language, and then we will all know that we are perfectly safe,

Mr. SIMMONS. I do not think it will accomplish any purpose or object, but I do not think it can hurt anything, and therefore I am not disposed to make any controversy about it or to con-

sume time in the discussion of it.

Mr. McCUMBER. Mr. President, the Senator says he does not think it will do any harm. Truly the pendulum of legislative conviction has swung from one extreme to the other during the last few hours in the Senate Chamber. We had before us a bill which provided rather a severe punishment for anyone who should violate the law as it was then drawn, and the Secretary of the Treasury thought not only that we should have the law compelling obedience to the commands of the Government, or what it might desire in this respect, but that we should impose quite a severe penalty.
Mr. SIMMONS. Mr. President-

Mr. McCUMBER. Just a moment. Now the persuasive ora-tory of those in the Senate who thought that we should depend upon the persuasive qualities of this bill rather than any power contained in it has swung the pendulum in the other direction, and now we go so far as to say in the proposed amendment that not only shall no one be bound by anything that is in this bill, but the amendment invites the public to disregard it by saying to them that they can be assured that there will be no penalty whatever for their disregard of this law.

I think we ought to get a little more information from the Office of the Secretary of the Treasury before we vote finally

even upon this portion of the bill.

Mr. SIMMONS. Mr. President, the provisions contained in the bill before the substitute of the Senator from Virginia [Mr. Swanson] was presented are entirely different from the provisions of these sections as they appear in the printed bill. the original bill, which we have been discussing here, and about which the remarks to which the Senator refers, were made upon the floor not only by myself, but by many other Senators, there was an authority vested in this committee to prohibit the issue of certain securities; and the violation of that prohibition was sought to be made an offense and was properly sought to be made an offense. Now, we have elminated those provisions and have not conferred upon this committee any power to prohibit anything being done. We have confined its functions solely and exclusively to finding and reporting whether, in its judgment, a certain state of facts exists, and that is all. There is no finding that the committee is authorized to make under the statute that could be made the basis of a criminal offense.

Mr. McCUMBER. Then, the Senator depends entirely upon the voluntary acquiesence of the public in conforming to this

Mr. SIMMONS. That is what the substitute offered by the

Senator from Virginia brings about.

Mr. McCUMBER. Then, does not the Senator think that after inviting the voluntary acquiesence of the public it is a little inconsistent to say to the public in the same bill: "You need pay no attention to this ""

Mr. SIMMONS. That would be so if we were going to impose a penalty upon the public if they did not comply with the

suggestions made by the committee; but no penalty is to be imposed upon the public or any one else.

Mr. McCUMBER. I do not think we ought to call their attention to the fact that we really do not mean anything by this bill.

Mr. SWANSON. Mr. President, I hope this amendment will not be adopted. We are relying on the moral support the country will give to the action of this committee. Its influence will depend entirely upon the voluntary acquiescence of the In the same law in which we do that we are asked country. to invite them to pay absolutely no respect to it. Now, I am not going to accept that amendment. The Senate can put it in if they see proper. I see no occasion for putting in an act which is left to voluntary, moral support the statement that they need pay no attention to it.

Mr. REED. Mr. President, there is nothing in this amendment that in any way tells the public to pay no attention to the orders of the board. There is a statement that it is not the intention or purpose to send anybody to the penitentiary for failing to obey some regulation of the board. It is admitted that that is the intent and purpose of the Senate. That is the reason why section 8 is being amended; and if it is the intent

and purpose of the Senate, it ought to be expressed.

It is contended, however, that it is sufficiently expressed. it is sufficiently expressed, it is certain people will find it out; but if it be the intent and purpose of the Senate and it is not sufficiently expressed, then we ought now, while we are making

the rule, to remove all doubt.

I hope the amendment will go in. I very much more desire it now than if it had never been offered, for the reason that if this amendment now, having been offered, be rejected, it will be to a certain extent persuasive in a court of the fact that the Senate rejected the amendment because they wanted to reject. the idea. Therefore I think it is now imperatively necessary

that the amendment should go in. Mr. SMITH of Georgia. Mr. President, I do not at all agree with the view of the Senator from Missouri. It is impossible for me to find anything leading to a construction that would hold penal a violation of a regulation because we declined to say that we did not intend to make it penal, when we did not have anything at all in the bill that indicated that it was to be penal. We have stricken out every line that could possibly be construed as rendering penal a failure to comply with the regulations of the bond commission or a failure to comply with the advice of its members. We have intentionally done that, There is not a syllable left in the bill from which it could possibly be construed that it was penal. Then why should we go further and say that the act shall not be construed as making penal a failure to comply with regulations when we have used

a word that made noncompliance illegal? I do not like to put myself in the attitude of adopting that

kind of an amendment, and I will vote against it.

Mr. UNDERWOOD. Mr. President, I have listened with much interest to the discussion of these two sections of the bill. I have had very great doubt whether this bill should become a law or not, but as the bill is now written I do not think there is any grave danger growing out of section 7, because section 7 as it now stands in the bill is merely advisory. There is no compulsion in the bill. Of course, there is this power behind section 7: That if a board, made up in its majority part of the members of the Federal Reserve Board, refused to O. K. or approve of a financial issue, it almost goes without saying that their negativing the issue will prevent it from being quoted or being sold, because practically in peace times the Federal Reserve Board's influence over the great banks and trust companies of this country is such that they can prevent the acceptance of securities by advising against them; and certainly in war times, when there is no other means of securing the surplus money of the country, except through Government agencies, their request. is a command, and nobody can float securities in defiance of it.

That, however, exists to-day without this law. It is not neces sary to put this law on the statute books to bring that about. It is a law to-day so far as its effect is concerned, because they have already organized a bureau in the Treasury Department under the Federal Reserve Board for this purpose, and it is doing business, and doing it effectively, now. But when you come to the next section. I should have been very much opposed to voting for any law that provides that the rules and regulations made by some subordinate official shall be punished as a crime if not obeyed. It is bad legislation in any case. It would be particularly bad legislation if it had been attached to this bill; but that has been removed. It has been stricken out. Now, the law stands that any man who violates this act shall be subject to certain pains and penalties.

I should like to know how he can violate the act. I should like to have some Senator tell me in what particular he can violate this act as it s ands now. He can not violate the act by offering securities. He may not be able to sell his securities; he may not be able to float them, but you have pulled the teeth out of section 7, and as it is now written any man can offer securities as far as he wants to go. Of course, he probably will not go any further than offering them, but it will be no violation of the act. The outside person who is not connected with the corporation can not violate the law by doing something with the corporation, because these are going to be Government agen-The only possible violation of the act is that somebody connected with the corporation might steal some of the corporation's money, and that is punished under the general statute. The general law of the land will punish a man for committing embezzlement, either against the corporation or against the Government. Therefore, so far as I see, as it stands now-and I am glad of it-the penal clause of this bill does not mean anything, and I think it would be just as well if it were left out entirely.

Mr. HOLLIS. Mr. President—
The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New Hampshire?

Mr. UNDERWOOD. I yield.

Mr. HOLLIS. I am interested in the Senator's statement that the general crime of embezzlement would be punished if the funds of this bank were embezzled. I hope the Senator will look that up, because, unless there is such a law, I shall offer to-morrow an amendment making it an offense to embezzle from

Mr. THOMAS. Mr. President, may I interrupt to call the attention of the Senator from New Hampshire to section 47 of the Penal Code, which I think exactly meets the suggestion which he made a few moments ago. If I have the permission of the Senator from Alabama-

Mr. UNDERWOOD. I yield,

Mr. THOMAS. The section reads as follows:

Whoever shall embezzie, steal, or purioin any money, property, record, voucher, or valuable thing whatever of the moneys, goods, chattels, records, or property of the United States shall be fined not more than \$5,000 or imprisoned not more than five years, or both.

Mr. HOLLIS. That is exactly the point. We set up a corporation here and give it funds. We do it because we do not want the Government of the United States in the banking business. When we appropriate that money and turn it over to this corporation it is accounted the property of the corporation, and ceases to be the property of the Government. That is exactly the point that I make.

Mr. THOMAS. Then, if the Senator is right, we would have to amend this bill also by providing penalties against the for-

gery of securities.

Mr. HOLLIS. Yes; we should-exactly so.

Mr. SMOOT. Mr. President, will the Senator yield for just

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Utah?

Mr. UNDERWOOD. I do.

Mr. SMOOT. I want to say to the Senator from New Hampshire that I think this corporation is the property of the Government of the United States, because the Government of the United States owns all of the stock of the corporation.

Mr. HOLLIS. No; that is not so, Mr. President.
Mr. SMOOT. Does the Senator mean to say it is not so that

they own all of the stock?

Mr. HOLLIS. They do own all of the stock; but I may own all of the stock of a corporation, and yet if some one else steals its funds he does not steal my funds; he steals the funds of the corporation.

Mr. SMOOT. He steals the property of the owner. Mr. HOLLIS. Oh, not at all. The owner is the corporation.

That is entirely different. Any lawyer knows that.

Mr. UNDERWOOD. Mr. President, I am not contending that there is a Federal statute now in existence that punishes a man for committing a crime against a Federal corporation, nor do I think there should be. That is not what I contended for at all. We have had Federal corporations before this time. The Union Pacific Railroad was chartered and run and exercised its functions until a few years ago under a Federal charter. If somebody embezzled the funds of the Union Pacific Railroad, it seems to me there could be no question that under the laws of the State where the embezzlement took place he could be arrested, fined, and imprisoned. I do not know that a banking corporation is any more important than a railroad corporation. position I take is that in each State of the Union or in the District of Columbia, wherever this corporation is performing its functions, if a crime is committed, the laws of the com-

munity where the crime is committed will be sufficient to punish the individual who commits it. I do not think there can be any doubt about it, and I do not think it is necessary for us to create penal statutes every time we create a Federal corporation. There may be some cases where it is necessary to have laws to prevent counterfeiting, or depredation of the mails, or some peculiar Federal function. It is not a peculiar Federal function that we are building up here. As a matter of fact, wiping all the camouflage and the clouds away from it, we are building a financial trust. That is all there is to it. We are building the biggest financial trust that this country has ever seen. are building it because it is necessary for war purposes.

Mr. President, I regret that it is necessary to carry this Government so far afield from the usual course of government. I regret that it is necessary to invade the business of the people of the United States, but I want to say that I do not believe in fighting this war in a half-hearted way. I think if there is any criticism anywhere along the line, it is not that we have not made mistakes; it is that this war has been on, so far as the Government of the United States is concerned, for nearly a year, and we have not got the men that we ought to have on the firing line of France, and we have not got the ships that we ought to have on the sea. I do not believe in fighting this war with a half-way punch. There is but one way to win it, and one way that it ever will be won, and that is to fight it all along the line, in arms, in ships, and in finance. Therefore I am going to vote for this bill, and I am going to vote to create a governmental financial trust, because I think it is necessary to sustain not only the finances of the Government but the finances of institutions on which this Government is relying to perform its war functions. That is the only justification for this bill, and it is a real justification for it.

The real power that is left in this bill is all the power that it is necessary to have in the bill; and that is, we turn over to a corporation to sustain the credits of the country a half billion dollars and give them a credit of \$4,000,000,000 more to place about the country to keep the great industries of this country moving and doing business. That is the real power in the bill. The real power that is carried in the bill is turning over to five men, as a corporation, the right to divert where they please a half billion dollars in cash and four billions in credits. It would be an unthinkable thing in time of peace, but in time of war it is the only course to pursue. The only way to win the war is for this country to get behind this war, not in piece-

meal, but with its full power and strength.

Your boys, the boys of this country, stand on the firing line of France to-day. Your enemy is trying to drive through their trenches. He will not come through this year; but if this country does not respond financially and industrially to a greater extent than it has already responded, you are in danger next year; and if we do not want a "next year," but want victory to perch on our banners this year, then we have got to consent to yield our peace-time ideas, our peace-time precedents, and adopt the method that is going to be effective.

So far as the criminal provision in this bill is concerned, it does not help this bill. It does not help the war. It does not accomplish any results. It may be used to threaten somebody with, but it is not necessary. The real steam behind this financial locomotive is the money that is carried in the bill. Therefore I do not see any reason why the amendment of the Senator from Missouri should not be adopted; but, far better, I should like to see the whole of section 8 stricken out of the bill, as it

accomplishes no result.

McCUMBER. Mr. President, the Senator from Ohio [Mr. HARDING] this forenoon spoke to us very entertainingly upon the psychology of Pullman sleeping cars. I think he could entertain himself to a far greater extent if he would study the psychology of the Senate in passing and in expressing its objections to certain measures in certain bills, and note how, for scores of years, Senators have voted time and time and time again to insert certain provisions in certain bills and in almost every important bill, and then finally have come to the conclusion that the provisions for which they have voted day after day are abhorrent to every sense of justice and propriety, and they are extremely shocked that anyone should dare to propose the insertion in any bill of a provision of the kind against which they are hurling their oratory.

I am impelled to note the remarks of the Senator from Alabama just now in discussing his serious objection to any penal clause affecting a mere rule or regulation of any department. Mr. President, while he was speaking I lifted up from this desk the revenue law approved October 3, 1917, and I notice that that

revenue law provides as follows:

(f) All persons, corporations, partnerships, or associations undertaking as a matter of business or for profit the collection of loreign payments of interest or dividends by means of coupons, checks, or bills

of exchange shall obtain a license from the Commissioner of Internal Revenue, and shall be subject to such regulations enabling the Government to obtain the information required under this title, as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe-

and whoever knowingly undertakes to collect such payments as aforesaid without having obtained a license therefor, or without complying with such regulations, shall be deemed guilty of a misdemeanor and for each offense be fined in a sum not exceeding \$5.000, or imprisoned for a term not exceeding one year, or both, in the discretion of the court—

Following exactly the terms of the proposed law that we have been discussing. The Senator from Massachusetts was shocked, the Senator from Alabama was shocked, and both the Senator from Massachusetts and the Senator from Alabama and the Senator from North Dakota voted for this provision in that bill without ever batting an eye, and it never occurred to anyone of us to raise this awful objection.

Mr. UNDERWOOD. Will the Senator yield? Mr. McCUMBER. I yield.

Mr. UNDERWOOD. I do not like to have the Senator quote me as voting for a revenue bill when I did not vote for it. One of the proudest moments of my life is to be able to stand here and say that I did not vote for that bill, if the Senator means the last revenue bill.

Mr. McCUMBER. There were just exactly such provisions

in the Underwood revenue bill.

Mr. UNDERWOOD. No.
Mr. McCUMBER. Did not the Senator vote for that bill?
Mr. UNDERWOOD. I think the Senator is mistaken.
Mr. McCUMBER. In every revenue bill that we have passed in the last 20 years I will guarantee the Senator will find a provision making it a penal offense to disobey the regulations of the Treasury Department which were found necessary to collect the revenue.

Mr. UNDERWOOD. If the Senator will yield to me for a

moment-

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Alabama?

Mr. McCUMBER. I yield with pleasure.

Mr. UNDERWOOD. I did not say that we did not often find in the law penal statutes against regulations. that since I have been in Congress I have refrained from favoring that kind of legislation except where the statute clearly defines what the regulation shall be. More than that, as the Senator from Massachusetts suggested this morning, when it is a general provision, without any indication in the statute as to what the regulations shall be, I doubt very much whether it comes within the terms of the Constitution and as to whether the courts would uphold it. But I have not denied that it can be done. Sometimes it has been done; but I do say, and it is not a new assertion on my part, I have said it for 20 years, I do not believe there is any more unwise legislation or unsafe legislation that a legislative body can enact than to sever itself from its own function of legislation and in a bill to prescribe a general penalty clause, endangering the liberties of the citizens of the United States, and then turn over to some departmental clerk the right to prescribe what the rules shall be the violation of which shall send a man to the penitentiary. Now, I do not believe that that is wise legislation. I do not say that there has not been a precedent for The Senator misunderstood me if he thought I said there had not been a precedent for it.

Mr. McCUMBER. No; I did not say that. Mr. UNDERWOOD. I still contend there is no more unwise legislation that we can pass than to surrender our own function and turn it over to a departmental clerk when the very liberties and reputation of American citizens are involved.

Mr. McCUMBER. Mr. President, I think every legislator should be extremely wary about providing a penalty for a rule when he does not know what that rule may be. But the point that I wished to make is this, that we make this the principal excuse for changing the law in our argument, while we have placed in our statute books, in every one of our revenue laws and every other important law, rules and regulations exactly in the same way as we place them in this bill, and we all voted for them because we thought it was necessary; and it is simply the fact that we are surprised and shocked and horrified at this particular time that anything of that character should have been found in any bill before the Senate of the United

Mr. HARDWICK. Mr. President, I do not want to say anything at this time except to express my thorough approval of what the Senator from Alabama suggests and to invite the attention of the Senate to the fact that on Saturday the distinguished Senator from North Dakota himself thought it was an I

unwise and unsafe thing to do. Whether it was an unwise and unsafe thing to do or not, that is no reason why we should keep on doing it.

Mr. REED. Mr. President. I offered the amendment to the amendment for the purpose of clearing up not what I thought was a doubt, but what some other Senators had thought was a doubt. It has provoked a great deal of discussion, most of which has not been pertinent to the particular matter. A number of Senators have asked me to withdraw the amendment in order that we may get along, and have insisted that there is no possibility of any court ever taking the view that the penal clause applies to a mere failure to obey some order or rule of the committee. I am so thoroughly grounded in that view and believe it so well taken that for that consideration alone and for that reason I will withdraw the amendment, and the Senate may vote on the question whether we want to impose any pen-

The PRESIDING OFFICER. The amendment to the amend-

ment is withdrawn.

The question is on the amendment offered by the Senator from Virginia [Mr. Swanson] as modified.

The amendment as modified was agreed to.

Mr. POMERENE. Mr. President, I send to the desk the following amendment.

The PRESIDING OFFICER. The Secretary will state it. The Secretary. On page 8, line 11, after the word "deposits," insert "or any building and loan association."

Mr. POMERENE. Mr. President, I hope the Senate will in-

dulge me for a very few minutes while I explain the necessity

for this amendment.

The bill provides that "any savings bank or other banking institution which receives savings deposits" shall have the benefits of the act, but it does not grant any privilege of this kind to building and loan associations. It seems to me that the position of those who may oppose this amendment is due to their failure to appreciate the charter powers of many of the building and loan associations.

I have no objection whatever to extending this privilege to the savings banks and savings societies, but the same reasons which suggest that they should have the benefit of the provisions of this bill apply also to building and loan associations.

I want the Senate to realize the importance of this amendment. In 1915 there were 6,806 building and loan associations in the United States. They had a membership of 3,334,899. They had assets amounting to \$1,484.205,875.

In Ohio there were 657 of these institutions, with a membership of 649,126, including depositors, and the assets of the building and loan associations in Ohio amounted that year to \$263,106,613.

In my own State building and loan associations have the right to receive deposits, and they do receive deposits. They have a right to sell stock, and they do sell stock, with withdrawal privileges, to the stockholder. I wish to call the attention of the Senate to the provisions of the Ohio code in that behalf. Section 9647 provides that-

Such corporations shall have all the powers set forth in the following sections of this chapter.

Then section 9648 provides, among other things, that they shall have the right "to receive money on deposits."

Section 9649 provides the right "to issue stock to members on such terms and conditions as the constitution and by-laws provide," and that includes the right to provide that these stockholders shall have the privilege of withdrawing all the money they have paid upon this stock.

Section 9651 provides the right "to permit members to withdraw all or part of their stock deposits at such times and upon such terms as the constitution and by-laws provide.'

Section 9652 reads:

To permit withdrawal of deposits upon such terms and conditions as the association provides except by check or draft.

I will not take the time to go further into the provisions of the statutes.

Mr. SMITH of Michigan. Mr. President-Mr. POMERENE. I yield to the Senator.

Mr. SMITH of Michigan. Let me ask the Senator from Ohio if he has considered the language on line 5 page 1. In my opinion the word "association" used there is sufficiently broad to cover building and loan associations, and if the board sees fit to avail itself of the securities of such an association for hous-

ing purposes or otherwise, wherever it is regarded as essential in the conduct of the war, it could include the very associations suggested by the Senator from Ohio.

Mr. POMERENE. If the Senator's construction of section 1 is correct, then there can be do objection to this amendment.

Mr. SMITH of Michigan. I think it is broad enough. I will say further to the Senator that I am very sure the word cor-

poration includes banks.

Mr. POMERENE. But the Senator will notice the committee has seen fit to specially provide for savings banks and other banking institutions which receive savings. In my own State the building and loan associations, or many of them, are substantially savings banks. For instance, in my own city we have two building and loan associations that advertise on the front of their buildings that they will pay 5 per cent interest for deposits. The building and loan associations have millions of deposits, and these millions are loaned out in part for building purposes and in part on other securities, and they have already been seriously embarrassed because they have not been able to get the necessary accommodations. Under the Ohio building and loan laws they are required to keep their deposits in some bank as a depository.

I have before me a communication from Mr. H. F. Cellarius, the secretary of a building and loan association in Ohio. I am not going to take the time to read it all, but I want to call atten-

tion to a paragraph or two.

For instance, in the 'tr or Dayton, which was in the midst of the flood district in 1913, during this last season there were withdrawals to the amount of more than a million dollars. These building and loan associations went to their banks to get accommodations. They were not able to get them. tried to get accommodations from the Federal reserve bank, but under the provisions of the Federal reserve act they could not get these accommodations, and they were very much embarrassed by reason thereof.

It so happens that we have provided in the State of Ohio for the organization of conservancy districts. These conservancy districts are authorized to sell bonds for the purpose of building dams and otherwise providing against damages by succeeding floods. Bonds were sold in anticipation of the collection of assessments, and those in charge of these conservancy sales made deposits of a portion of the proceeds of these bonds in the building and loan associations. Otherwise they would have been very much embarrassed financially.

Mr. SMITH of Michigan. Will the Senator allow me to in-

terrupt him?

Mr. POMERENE. Yes.

Mr. SMITH of Michigan. I think there is a great deal to be said in favor of the amendment proposed by the Senator from Ohio, but if I wanted that amendment specifically incorporated in the law I would hesitate to offer it, in view of the fact that it will probably be defeated, and thus the general terms of the bill, which in my opinion include building and loan associations, would by reason of that rejection afford some excuse, perhaps, for not including them, either within the first section or in subdivision (d), which authorizes this board to make advances "to any corporation owning or controlling," and so forth, "any railroad or other public utility and to any firm, corporation, or association conducting an established and going business, \* \* \* whose operations are necessary or contributory to the prosecution of the war." I think that language includes building and loan associations. Therefore, I should dislike very much to see the amendment voted down.

Mr. POMERENE. Either my friend, the Senator from Michi-

gan, is right in his construction or he is wrong. If he is right in his construction, there can be no objection to my amendment. If he is wrong in his construction, then I insist the amendment

shall be placed in the bill.

Mr. SMITH of Michigan. But a vote would give a legislative construction to the view which perhaps prevails among Sena-tors that it is not included. I would not like to have that vote.

Mr. POMERENE. I am going to go on the presumption that

the Senate is going to do the right thing.

Mr. SIMMONS. I think the Senator from Michigan is entirely in error. I do not think the savings banks or building and loan associations would be included in the sections to which the Senator from Michigan has referred. Those sections provide for assistance only to industries whose operations are necessary or contributory to the war. That qualification applies to every loan that may be made to any institution provided in the bill except building and loan associations. Believing they were of an exceptional character, it was thought necessary to make a provision for their exclusion because of the fact that the operations of savings banks are not necessary or contributory to the war. It is true that depositors may take the money out of the concern and contribute it, but the operations of the corporation itself in their very nature could not be necessary or contributory to the war. Therefore it was necessary to insert a provision-

Mr. POMERENE. Do I understand the Senator to say that it was his judgment and the judgment of the committee that the savings banks were not necessary to the war?

Mr. SIMMONS. The Senator understood me to say that we expressly provided for the inclusion of the savings banks, not because the operations of the banks themselves were necessary

or contributory to the war but—
Mr. POMERENE. Then, why should they have the privileges

of this act?

Mr. SIMMONS. Because it was considered of great public importance by reason of the fact that they accept deposits from the laboring people of the country, and they take those deposits and buy securities with them. It was suggested that when the withdrawal of these deposits for the purpose of investment in Liberty bonds or other securities offered by the Government reduces the deposits beyond the safety point the bank had no way of protecting itself except by putting its securities upon the market and thereby reimbursing itself the loss of those deposits, and those securities were of a character that was not liquid and for which there was not at present a sufficient market.

The only argument I am making, if the Senator will permit me, is—I am not arguing against his proposition now; I am saying nothing about it; I am simply showing him that savings banks and building and loan associations are not included in the word "association," because the associations which the other sections of the bill authorize to come to this board and secure loans are associations whose actual operations are in-

herently necessary or contributory to the war.

Mr. POMERENE. Mr. President, I think I know the chairman of the committee desires to be perfectly fair in this matter.

There is not any reason why he should discriminate in favor of the savings banks and against the building and loan associa-

tions.

Mr. SIMMONS. Mr. President, the Senator misunderstands me. I have not expressed any view upon that subject at all. I

am merely trying to show the Senator—Mr. POMERENE. The purpose of my statement is to compel, if I can, the admission from the Senator from North Carolina that the same reasons which urged him to include savings banks in this bill will require him to consent to the placing therein of building and loan associations,

Mr. SIMMONS. If the Senator can satisfy the Senate that the building and loan associations stand upon a parity with refthe building and loan associations stand upon a parity with reference to the renson which I stated induced us to include savings banks specifically, why, of course, the Senate ought to adopt his amendment. If he can not do that, the Senate ought not, in my judgment, adopt the amendment.

Mr. POMERENE. Did the Senator from North Carolina hear the reading of the Ohio statutes upon this subject?

Mr. SIMMONS. I did.
Mr. POMERENE. Those statutes provide specifically that stock can be sold to members with withdrawal privileges. That means that, whether the stock is paid up in full or only 50 per cent of it is paid up, when the stockholder complies with the regulations of the building and loan association he can withdraw the amount he has paid plus dividends and less charges thereon, and surrender the stock.

The statute also provides that these building and loan assoclations may receive savings deposits and that they can be withdrawn. I am going to take the liberty to send to the desk a memorandum from Mr. H. F. Cellarius, the secretary of the United States League of Local Building and Loan Associations, and respectfully ask Senators to listen to its reading.

Mr. GALLINGER and Mr. REED addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield; and if so, to whom?

Mr. POMERENE. I yield to the Senator from New Hampshire, who first addressed the Chair.

Mr. GALLINGER. Before the memorandum is read, will the Senator from Ohio permit me a word?

Mr. POMERENE. I have yielded to the Senator. Mr. GALLINGER. When the Senator discussed this matter on a former occasion, I suggested that there was a marked difference, in my opinion, between building and loan associations and savings banks, citing the fact that, as I understood, the building and loan associations were paying 6 per cent interest. I did not then know that they deposited their money as savings in any of those banks. The Senator from Ohio now states that they do; and I presume they do so all over the country. If that be so it affects the aspect of this question very materially, to my mind, and I am strongly inclined to think that the amendment of the Senator ought to be adopted.

Mr. POMERENE. I can assure the Senator from New Hamp-shire that the practice to which I have referred is very general

in my own State.

Mr. GALLINGER. I am, therefore, inclined to think that the amendment offered by the Senator from Ohio ought to be agreed to. Building and loan associations are very numerous in my State, and, indeed, throughout New England. If they are losing their deposits and fail to find any medium of relief, it seems to me they ought to come under the provisions of this bill.

Mr. POMERENE. The memorandum which I have just sent to the desk to have read will demonstrate that very conclu-

sively, indeed.

I now yield to the Senator from Missouri.

Mr. REED. Mr. President, I desire to ask the indulgence of the Senator from Ohio long enough to give notice of a reservation of a. amendment which I may desire to offer in the Senate as a substitute for section 7, which was adopted in the Senate, as it occurs in the substitute which is as follows:

Such committee may, under rules and regulations to be prescribed by it from time to time, with the approval of the Secretary of the Treasury, investigate, pass upon, and determine whether or not the sale or offering for sale or for subscription—

I desire to reserve the right to offer an amendment; to substitute for the words "with the approval of the Secretary of the Treasury," the words "and approved by the Secretary of the Treasury." That will remove an ambiguity which has been discussed here, and I think will make it plain that the committee shall have the power to make its rules, and once they have been approved by the Secretary of the Treasury, then to proceed in its own way to investigate and to pass upon and determine the questions that may come before it.

Mr. POMERENE. Mr. President, I now ask that the memo-

randum which I have sent to the desk may be read.

Mr. SMOOT. Will the Senator yield to me merely to give

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Utah?
Mr. POMERENE. I yield to the Senator.

Mr. SMOOT. I also desire to reserve the right of offering an amendment when the bill gets into the Senate to strike out the words "with the approval of the Secretary of the Treasury and if the amendment suggested by the Senator from Missouri [Mr. Reed] is adopted, then I also reserve the right to move to strike out those words also.

Mr. POMERENE. I ask that the memorandum which I have

sent to the desk may now be read, Mr. President.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

The Secretary read as follows:

Memorandum urging relief for building and loan associations in the war finance corporation bill.

In behalf of the United States League of Local Building and Loan Associations, representing the domestic building and loan associations in the several States. I desire to call your attention to the urgent necessity of making some provision in the war finance corporation bill for the relief of these associations similar to that which has been made for the savings banks.

There is even greater necessity for providing for the building associations than there is for savings banks, for the reason that their assets, amounting to nearly \$2,000,000,000, are almost entirely invested in mortgage loans on real estate and are not as liquid as the assets of most savings banks. Every argument which applies to a savings bank applies with equal force in favor of the building association.

Since the liberty loan issues have been floated there have been very heavy withdrawals from the associations by their members for investment in liberty bonds, and for the past four or five months the ordinary business of making loans to members for building purposes has practically ceased and most of the receipts have been paid out to withdrawing members. This condition will undoubtedly continue during the period of the war, and as further issues are floated there will be increasingly heavier withdrawals, with the result that the ordinary receipts which are already being diminished will not be able to take care of the withdrawing members, but under existing war conditions are able to go to their depository banks and make temporary k. ns to take care of withdrawing members, but under existing war conditions are able to go to their depository banks and make temporary k. ns to take care of withdrawing members, but under existing war conditions are able to go to their depository banks and make temporary k. ns to take care of withdrawing members, but under existing war conditions are able to go to their depository banks

It is represented that under the conditions imposed by the bill no building association would make application to the war finance corporation for assistance unless the dire necessities of the situation compelled it to do so. It is respectfully urged, in order to avoid a financial disturbance among these associations, that some source should be provided to which they may go to relieve their stress, when ordinary banking channels are closed to them.

Respectfully submitted.

H. F. CELLARIUS, Secretary.

CINCINNATI, OHIO, March 1, 1918. Mr. POMERENE. Mr. President, it seems to me that the statement made by Mr. Cellarius is complete in and of itself. He points out especially the condition in Dayton, and that is just the condition which our good friend, the chairman of the

committee, anticipates may happen in every town where there is a savings bank.

I want to call attention to the further fact-and I do it because in the discussion the other day some reference was made to it-that it is the desire to discourage building. If that is limited to nonessential or unnecessary building, I am in hearty accord with the suggestion at this particular time; but in many of our growing industrial towns one of the serious problems with which it is necessary to deal is the housing problem for the laboring men. I know that is true in my own city of Canton and in many other cities in the State of Ohio. I trust that the amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio.

Mr. HOLLIS. Mr. President, the savings of the poor go into building and loan associations exactly as they go into savings banks. Building and loan associations are for two purposes: One is to enable people to build their own homes, and the other is purely to afford an opportunity for investment. Many people who take out building and loan association shares never borrow on them and never build,

These institutions will probably have to cease their building operations largely. That will largely cut off their income, and they stand in my section of the country almost exactly as the

savings banks do.

To include them in the paragraph that deals with savings banks does not make it compulsory on the war-finance corpora-tion to advance funds. The provision will be merely permissive; they will advance sums in cases where an unfortunate financial situation might arise if the relief were not extended. They will not do it unless such a financial situation does arise. I can not see that the amendment will do any harm and it may afford very necessary relief to include them.

Mr. President, while I am on my feet I submit an amendment to the bill, and ask that it lie on the table and be printed.

The PRESIDING OFFICER. Without objection, that action will be taken. The question is on the amendment offered by the Senator from Ohio [Mr. POMERENE].

Mr. OWEN. Mr. President, I desire to give my assent to the amendment. I think it ought to go in the bill for the reasons which have already been stated. I merely want to say that I

approve the amendment.

Mr. SMOOT. Mr. President, if the operations of building and loan associations are necessary or contributory to the prosecution of the war, then they are already provided for in this bill, and they are provided for under paragraph (d) of the bill, which is very much more favorable to associations and corporations than the paragraph to which the Senator from Ohio has offered his amendment. If the Senator will turn to page 9 of the bill he will find that under paragraph (d) this provision is made:

To any firm, corporation, or association conducting an established and growing business whose operations are necessary or contributory to the prosecution of the war—

I think I have heretofore said to the Senate that that was a very far-reaching provision. Under it, in my opinion, all corporations and all associations not specifically provided for in paragraphs (b) and (c) of the section can apply for assistance, Mr. POMERENE, Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah

yield to the Senator from Ohio?

Mr. SMOOT. I yield. Mr. POMERENE. I do not quite understand the opposition of the Senator to this amendment.
Mr. SMOOT. If the Senator w

If the Senator will wait until I get through, perhaps he will.

Mr. POMERENE. Very well.
Mr. SMOOT. The amendment, Mr. President, is offered to paragraph (c) of section 6 of the bill, and that paragraph provides:

(c) To make advances from time to time, upon such terms, not inconsistent herewith, as it may prescribe, for periods not exceeding one year, to any savings bank or other banking institution which receives savings deposits—

The information that the committee had, Mr. President, was that outside of a very few building and loan associations in the United States there was no chance whatever of making a run on building and loan associations. Very few of them have demand deposits, and I call attention to the letter that the Senator had read at the desk, for, among other things, it stated that in case they did not receive assistance the depositors would have to await their order of payment.

I understand, Mr. President-I know it is the case in my own State—that members of a building and loan association, if they desire to withdraw their so-called deposits, not demand deposits, from the association, await their turn, and they are paid in the order in which the application is made for withdrawal. No run can be made upon any building and loan associa-tion, that I am aware of, in the United States. Members of the association can not put the association in the hands of a receiver. That can only happen through losses in the administration of the association—losses so great that they impair the standing of the association. The object of this bill is to assist institutions that have been prevented, by reason of the Government of the United States monopolizing the money market, from realizing quickly upon their assets in order to meet any emergency or run upon the bank or the institution that would cause its failure.

If the building and loan associations were in that position they ought to be included in this bill and, perhaps, ought to be specifically referred to; but my construction of the bill is that they are already provided for in paragraph (d), and under much more favorable conditions than they would be under paragraph (c). But if we begin to enumerate the different associations that are to be taken care of, I want to say now that the irrigation companies of the West and the Middle West certainly ought to be included in the bill, as they contribute directly to the production of food, which is so necessary in the carrying on of the war. And they are in this position: Bonds that they have issued in the past are maturing. I do not think there are very many of them maturing this year, but no doubt some of them will be. They are not mentioned; and if we are going to undertake to mention all of the associations or corporations to be taken care of in this bill, I doubt very much whether we can do so in such a way that every kind of business in the country will be covered.

I thought, and I still think, that paragraph (d) of this section is altogether too broad in its scope. It may be administered so that no harm will come, and no doubt it will be, but the provisions of the paragraph are such that thousands of applications will be made that can not and should not be favorably considered.

Another thing, Mr. President, I want to say that the witnesses who appeared before the committee thought that the capital issues committee ought to follow the policy that has been followed by England and France, and, as far as possible, prevent the building of houses from one end of the country to the other. That does not mean that no homes shall be built, but it does mean that while we are in this war if there are families that have lived in a home for the past 20 years or more, they can wait at least until the war is over before undertaking to build a larger or a better house. Every time one is built it interferes with the production of the lumber that is necessary for the construction of our ships. Every time one is built it takes from the steel production of this country an amount of steel that ought to have been converted into the ships that we so greatly need. I approve that policy, Mr. President, and it has been approved of by England and by France, and if Senators will take notice they will find that the amount of money that has been spent in those countries for the erection of homes of any sort since this war began amounts to very little indeed, and in fact is almost negligible.

Therefore, Mr. President, I believe that the provisions of the bill are broad enough. If the board want to render any assistance whatever to building and loan associations, or to life insurance associations, or to fire insurance associations, or corporations of any kind or character I have no doubt but that they can do it under the provisions of the bill as it stands to-day. but I do not believe it is wise for us to undertake now to begin to enumerate all of these different institutions.

Mr. CALDER. Mr. President, I do not agree with the conclusions of the senior Senator from Utali on this question. I do agree with him that we ought to do everything in our power to discourage the building of factories for other than war purposes, large office buildings, hotels, and other structures that require large quantities of steel and building material; but to say that we should discourage the building of

homes ordinarily constructed through building and loan associations I think a mistake.

Mr. President, I know of no better instrument to utilize for the construction of homes where they are needed for munition plants, our shipyards, and for other purposes than building and loan associations. In my own State these institutions are conducted on exactly the same basis as savings banks. They are chartered under the savings-bank law.

Mr. SMOOT. Mr. President, will the Senator yield to me before he leaves that phase of the matter?

The PRESIDING OFFICER, Does the Senator from New York yield to the Senator from Utah?

Mr. CALDER. Certainly.
Mr. SMOOT. The Senator must know that we have already appropriated \$50,000,000 for building these homes in the neighborhood of munition plants, and I will say to the Senator that there is another bill that will be passed that carries \$50,000,000 more for the same purpose. I agree with the Senator that homes of that kind ought to be built because they are absolutely neces-

Mr. CALDER. Mr. President, I am aware that we have authorized the appropriation of \$50,000,000 for the building of houses by the Shipping Board; but my notion is that we can use these very building and loan associations, and they will be utilized, without being compelled to go to the Shipping Board for assistance. My judgment is that there will be very little call upon this corporation by the building and loan associations; but the very fact that they can call upon it will renew confidence in them and will tend to encourage people to deposit their money in them.

I have an amendment which covers this matter in a different way; but I shall vote for the Senator's amendment because I believe it will do no harm and may be very helpful.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from Ohio [Mr.

POMERENE].

The amendment was agreed to.
Mr. CALDER. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated. The Secretary. On page 6, line 10, after the word "company," it is proposed to insert "or company organized under the banking or insurance laws of any State," so that if amended the paragraph will read:

(b) To make advances, upon such terms not inconsistent herewith, as it may prescribe for periods not exceeding five years from the respective dates of such advances, (1) to any bank, banker, or trust company, or company organized under the banking or insurance laws of any State which has made and which has outstanding any loan or loans to any person, firm, corporation, or association—

And so forth.

Mr. SIMMONS. Mr. President, I want to ask the Senator if he would not be willing to confine his amendment to insurance companies? To extend it to any banking concern or other concern that may be authorized under the banking laws of a State is mighty broad.

Mr. CALDER. Mr. President, this amendment would include insurance companies and mortgage companies. If the Senator will permit the amendment to go in reading "any company organized under the insurance laws of any State'

Mr. SIMMONS. Why not say "any insurance company"? Mr. CALDER. The reason why I can not accept the Senator's suggestion is that I have in mind mortgage companies.

Mr. SIMMONS. Well, the Senator knows that we can not include every concern.

Mr. CALDER. Mr. President, we have in New York mortgage companies that have mortgages on real estate aggregating a billion dollars, and I am exceedingly anxious to have this law in such shape that these companies, if necessary, may come to the corporation for relief.

While I am on my feet, Mr. President, I want to say that I heartily concur in the main provisions of this measure. lieve it is a necessary one and one that will contribute much to the stability of business. I doubt if the country could go much farther with its business affairs without the enactment of some such measure as this. I simply ask that this amendment be adopted and that one other in exactly the same language be put in the next paragraph, which permits companies organized and doing business under the banking laws or insurance laws of the respective States to come in under the operation of this bill. can see no reason why this amendment should not be adopted. I believe it strengthens the measure. I believe it will popularize the measure, and I am certain it will do no harm.

Mr. WEEKS. Mr. President, I rise to Indorse what the Senator from New York [Mr. Calder] has said. It does not seem

to me that it can do any possible harm to insert his amendments

The cooperative banks, building and loan associations, and insurance companies organized under the laws of States are somewhat different in character, and the laws of the States are materially different. If none of these institutions need assistance, of course it will not be given to them; but if they do need assistance, their funds being essentially the savings of the people, it does seem to me that it would be desirable to have the power to give them such assistance as they may

I hope, therefore, that those amendments will be adopted.

Mr. SMITH of Georgia. Mr. President, I should like to have the amendment stated in full.

The Secretary. On page 6, line 10, after the words "or trust it is proposed to insert the words "or company orcompany.' ganized under the banking or insurance laws of any State.'

Mr. SIMMONS. Mr. President, my objection to this amendment is its indefinite character. I do not know what it would embrace. It refers to corporations organized under certain departments of certain States. If the Senator's amendment specified the corporations that he desires to have added, we would be able to deal with it with knowledge. If the Senator will content himself with including insurance companies, I shall not

make any objection to that.

Mr. CALDER. Mr. President, I am familiar with the banking and insurance laws of my own State; and in that State the amendment would include life insurance companies that have assets in New York State of over \$5,000,000.000, and loans to their policyholders of over \$800,000,000. Under the terms of these policies the policyholders can borrow nearly the total of the premiums paid, and it is possible that at times there may be some need for relief for these insurance companies. I pointed out the other day, in discussing this subject, that a great conflagration might occur that would require the fire insurance companies to have relief. It is possible, too, that the same thing might be true in the matter of mortgage companies, which loan vast sums of money on bonds and mortgages. corporation will not loan to these companies unless they have the proper security, and under such conditions that it ought to be loaned; but this is very important, Mr. President, and this amendment is asked for by men who are in sympathy with this measure and who believe that it should be extended to protect the great interests of the country that may become involved as the result of the drain upon the finances of the Nation.

an example, we have in New York City alone over \$4,000,000,000 loaned out on bonds and mortgages on real estate. At least one-third of this becomes due every year and must be taken care of. To-day there is no money available in the city of New York to be loaned on bonds and mortgages, largely because the money in that market has been taken up in the purchase of liberty bonds. I am exceedingly anxious to meet this situation, and it is in part my object in offering this amendment.

Mr. SIMMONS. Mr. President, I have just gotten the amendment. The language the Senator wishes to incorporate in the bill are the words:

Or any company organized under the banking or the insurance laws of the State.

It does not make any difference what sort of a company the banking laws or the insurance laws of the State may authorize to create they would be included in the language. I think it is entirely too indefinite.

Mr. CALDER. Will the Senator read the language which

follows?

Which has made and which has outstanding any loan or loans to any person firm, corporation, or association whose operations shall be necessary or contributory to the prosecution of the war and evidenced by a note or notes

And so forth.

Mr. SMITH of Georgia. That is not the language first used. If it would go further and limit the loans on those securities taken in connection with furthering the war the proposition would be a very different one from the one suggested by the Senator from New York, but if we put the whole insurance field and the banking field into the attitude of being invited to this bank for their relief whenever they need any you will demand an amount of capital and funds that this corporation can not possibly command.

May I ask the Senator where will these con-Mr. CALDER.

cerns go for relief?

Mr. SMITH of Georgia, Where will I go? Where will a great many others go? Where will the great body of the people go?

Mr. CALDER. But the Senator-

Mr. SMITH of Georgia. I am answering the Senator now, and I am not yielding.

Mr. CALDER. I beg the Senator's pardon.

Mr. SMITH of Georgia. It is not proposed to take care of everything and everybody. That is utterly impossible in such a case as this I think they ought to be left to take care of themselves, as the public generally will be left. I do not think it will do to say that every bank can come. We have limited the banks that are to come to paper which they have procured in connection with war industries.

Mr. WEEKS. Mr. President-

Mr. SMITH of Georgia. I yield to the Senator from Massachusetts.

Mr. WEEKS. I wish to submit to the Senator from Georgia that his answer to the Senator from New York is not a good answer to the question. Where he would go would be to his bank, where his note would be readily taken; and then if his bank wished the funds, it would rediscount that note with the Federal reserve bank as provided for under the present law. This provides for a means of obtaining money by such corporation that can not obtain it in that way and that can not have their notes secured by collateral and rediscounted in the Federal reserve bank.

Mr. SMITH of Georgia. It is supposed the banks would use Federal reserve banks for their ordinary business, and they ought to so manage their business. They never had the Federal reserve bank until recently; they handled it through and among themselves. They have the Federal reserve bank now.

If we broadened the work of this corporation to any substantial extent beyond where it was first planned, I fear the consequences, unless the board of directors decline to make loans and decline to go into the field. Of course, it is only permissive; they are not compelled to do it. Unless they simply decline it, I am afraid we will exhaust its funds without its handling those more important responsibilities that seem so essential to be handled.

Mr. WEEKS. May I ask the Senator one more question?

Mr. SMITH of Georgia. Yes.

Mr. WEEKS. Assuming that there is to be a decent administration of this law, how would it be possible to do any harm? If a corporation of this kind did not need assistance, of course, the directors would not make the loan. I think the point made by the Senator from New York relating to insurance companies is extremely apt. We might have a great conflagration. The insurance company's funds are invested in bonds. It might not be possible, without a tremendous sacrifice, to sell the bonds to pay its losses. This would be a natural place for it to go.

Mr. SMITH of Georgia. I do not think so. In the first place, I hope we are not to have any very unusual conflagrations in the next 12 months such as are not incident to ordinary life. I do not think we have any reason to anticipate it. We have taken a great part of the burden off the life insurance companies by carrying the insurance of our soldiers in the National Treasury. Their war risks have largely been canceled and transferred to the Treasury Department, and there we have

relieved the life insurance companies.

Now, as to the fire insurance companies, I do not see why they should have any special strain put upon them by reason of the war. I will state the difficulty I have in my mind. I am very much opposed to broadening the list of those who may come to this bank beyond what the bank can possibly do and leave the bank in any sense picking favorites of a class. I wish it to be strong enough to care for the classes we authorize it to handle. I do not mean this as any reflection, but human nature-

Mr. SIMMONS. Will the Senator pardon me for one minute for an interruption?

Mr. SMITH of Georgia. Yes.

Mr. SIMMONS. I think the fire insurance companies have been among the very largest purchasers of Liberty bonds in this country, and I think the Government is looking to the large funds of the fire insurance companies for help in the next sale.

Mr. CALDER. Does not that apply to life insurance com-

panies, too?

Mr. SIMMONS. I think it applies to both. I think both have invested largely in Liberty bonds, and I do not think there is any reason why we should not include them, because I think we want to encourage them to make these purchases. Now, unless they can sell their securities in case their money runs very low they would have to be very guarded in making purchases in our sale of bonds.

Mr. SMITH of Georgia. The run of the business of life insurance in the shape of loans is steady. I do not agree with the chairman. I do not believe it is wise to add them to the list.

Mr. CALDER. Will the Senator permit me?

Mr. SMITH of Georgia. Yes.

Mr. CALDER. May I say to the Senator from Georgia that the life insurance companies operating in New York City have loaned something like \$800,000,000 to policyholders alone, and unusual casualties in Europe may bring demands that these companies may have difficulty in meeting. Has the Senator

Mr SMITH of Georgia. No; I was simply listening to the Senator. I still do not agree with his view that it is wise to spread it to life insurance companies. We would simply carry it to cases where it can not meet the demand that we put it up

against, and I think that is unwise.

Mr. THOMAS. Mr. President, I rose to make a suggestion to the Senator from Georgia, but as he has yielded and as the Chair has recognized me, I want to say a word upon this pro-posed amendment. Its terms are very broad. It proposes to extend the benefits of this measure to all corporations which are organized under the banking or insurance laws of any State. There are 48 States in the Union and, of course, there are as many banking and insurance laws as there are States. They vary very materially both as to the conditions under which corporations may be organized to do business under them and also as to the object for which such corporations may be organized. Take, for instance, the subject of insurance. Almost every conceivable subject to which insurance may relate has been covered in a greater or a less degree in some of the States of the Union.

Mr. CALDER. Mr. President-

I yield to the Senator. Mr. THOMAS.

Mr. CALDER. I am going to withdraw the amendment and offer an amendment merely relating to insurance companies, thought I would advise the Senator of that fact.

Mr. THOMAS. It is the insurance feature of the Senator's amendment to which I want to address myself. We have companies organized to insure against hail, against floods, against pests of various kinds, automobile insurance, plate-glass insur-Indeed, it is difficult to conceive of any subject against which insurance may be effected that is not provided for in some of the laws of the United States. Consequently, if an amendment of the character which has been offered or which has been contemplated, if this is withdrawn, should be incorporated in the bill, I think we should make a capital of \$1,000,-000,000 instead of \$500,000,000. The demands that will be presented to the corporation, if the war continues indefinitely, will in consequence swamp any corporation with the amount of capital which is provided for in the bill. I do not think that

I believe that subsection (d) of section 6 of the bill is sufficient to enable any corporation whose business is necessary or contributory to the war and which needs relief to present its application for relief to this bank corporation. Of course, the subsection to which I refer is intended as a kind of general clause to cover cases which might be found to be outside the pale of the provisions of sections (c) and (d). As it was stated by the Senator from Utah some time ago, if we are going to indefinitely enlarge by specific inclusions the terms and scope of sections (c) and (d), we should not stop at the corporations which will be covered by the proposed amendment of the Senator from New York. The corporations to which the Senator from Utah referred are corporations which are essential to the prosecution of the war. Let me say, Mr. President, that there is no legitimate business of any kind, character, or description which is productive or semiproductive in its character that does not contribute to the war and to which the Nation must not in some degree depend for the successful prosecution of the

As the Senator from Georgia stated, the purpose of the bill is not to help everybody and everything, although it does extend its provisions to those concerns which are contributory to the success of the war, because if we attempt to so enlarge the scope of the bill as to practically make it the equivalent of the territorial boundaries of the United States and every occupa-tion which is carried on within our boundaries, then the Government will have undertaken a task which, powerful as it is, rich and resourceful as it is, it will be impossible to perform.

Mr. CALDER. I ask unanimous consent to withdraw the amendment and offer in lieu thereof the following.

The PRESIDING OFFICER. Without objection, the amendment will be withdrawn.

Mr. CALDER. On page 6, line 10, after the word "company,"

I move to insert "fire or life insurance company."

Mr. President, in response to the remarks of the Senator from Colorado [Mr. Thomas] I will say that this amendment offered by me will be in connection with the language following-

which has made, and which has outstanding, any loan or loans to any person, firm, corporation, or association whose operations shall be necessary or contributory to the prosecution of the war and evidenced by a note or notes—

And so forth. That seems to answer the objections made by him, for only those fire or insurance companies who would have loans as indicated can secure relief from the corporation.

Mr. SMITH of Georgia. Will the Senator modify it still further and provide that it shall only be with reference to said loans?

Mr. CALDER. I would prefer not to.

Mr. SMOOT. Mr. President, I wish to say to the Senator from New York I would hesitate to offer the amendment the Senator has presented, because if his amendment is adopted the insurance companies will fall under paragraph (b) and not under paragraph (d), as now provided for. The conditions under paragraph (b) are much more drastic than under paragraph (d). Paragraph (d) is very broad in its provisions and advances made on remarkably easy terms. If there was a conflagration, as suggested by the Senator, that involved the financial standing of a fire insurance company and that would require it to raise a large amount of money in a very short time in order to pay the claims made against it, paragraph (d) covers just such cases, and under such cases the application for relief is not made to a bank but to the corporation itself, and the security required in order to obtain an advance would not necessarily be as much as required under subsections (b) and (c).

Now, let me call attention to the wording of it again:

To any firm, corporation, or association conducting an established and going business whose operations are necessary or contributory to the prosecution of the war.

Then there is a proviso added referring to such cases as cited by the Senator, as follows:

That such advances shall be made only in such cases as the board of directors in their discretion shall determine to be of exceptional importance in the public interest.

If there was a conflagration that threatened the financial existence of a fire insurance company, it seems to me it would be of great public interest that it be assisted, but if insurance companies are put under paragraph (b), along with banks and trust companies, such a company might be unable to furnish the required security. Paragraph (d) not only covers exceptional cases, but covers insurance companies that find themselves in need of assistance.

If I was interested in having the insurance companies, either life or fire, especially cared for, I would rather have them fall under paragraph (d) than paragraph (b).

Mr. SMITH of Georgia. What is the Senator's amendment?

Mr. CALDER. To paragraph (b).

Mr. SMITH of Georgia. On page 6?
Mr. CALDER. Yes; line 10 of the first print, after the word "company." to insert "fire or life insurance company."

Mr. President, all that the Senator from Utah says may be true. He has studied the bill and unquestionably be knows what he is talking about. But there can be no harm in inserting these words at the point I have offered them, and it may be the means of steadying these great fire and life insurance companies. For the benefit of the Senator I will say that the great life insurance companies of the country believe themselves that it is important that they should have this opportunity in case they become involved, and I am free to say that it was partly at their suggestion that I have offered the

The PRESIDING OFFICER. The question is on the amendment of the Senator from New York [Mr. CALDER].

On a division the amendment was agreed to.

Mr. SMITH of Georgia. I reserve the amendment for a separate vote in the Senate.

The PRESIDING OFFICER. The reservation will be noted. Mr. OWEN. I move to strike out, on page 11, line 5, the words "Such bonds may be dealt in by Federal reserve banks in the same manner and to the same extent as bonds or notes of the United States not bearing the circulation privilege, and."

Mr. President, I can explain that amendment in two or three In writing the Federal reserve act we authorized the member banks of the Federal Reserve System to use the gold reserve deposited with the Federal reserve banks in buying United States Government bonds They have used that privilege to a moderate degree, but the issues of United States bonds are scattered among private holders, are in locked boxes, and are not very active on the market. This bill proposes to issue corporation bonds amounting to four thousand million dollars, and there will be a great pressure by New York business men and the New York banks to have the gold which is held as the reserve for the deposits of the member banks of the United States withdrawn for substitution by these bonds, and the directors of the Federal Reserve Board will have difficulty in resisting the urgency of the local demand in that respect. It is, in effect, an open-market operation that I am objecting to.

Mr. SMOOT. Mr. President—
The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Utah?

Mr. OWEN. Yes; I yield.

Mr. SMOOT, That question has not been brought to my attention, and I really would like to have the amendment go over until to-morrow morning. In the meantime I will look over the law as it is

Mr. OWEN. I have no objection to the amendment going

over.

Mr. SMITH of Georgia. I understood the Senator from Oklahoma to speak of the reserves of the Federal reserve banks being put in United States bonds.

Mr. OWEN. I spoke of the reserves of member banks de-

posited in reserve banks.

Mr. SMITH of Georgia. I did not eatch the words "member banks," and I was just wondering if I were mistaken in supposing that those banks could not invest their reserves in any-

thing, but must keep them in gold or lawful money.

Mr. OWEN. I said the reserves of member banks which are deposited in the reserve banks in gold ought not to be withdrawn for the bonds of the proposed war finance corporation. I will say incidentally that the committee of the House have already struck it out, and that the chairman of the Committee on Banking and Currency of the House of Representatives agrees with me that it ought to go out of this bill.

Mr. SMOOT. I think the Senator is right, but I should like

to look it up to-night.

Mr. SIMMONS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. OWEN. Certainly.

Mr. SIMMONS. I do not know of any other amendment

likely to be presented.

Mr. OWEN. I have several others, and it will only take me a few minutes to present them. I think the Senator will be able to get through with this bill this evening, so far as I am con-

Mr. SIMMONS. The Senator from Utah has asked that the amendment of the Senator from Oklahoma go over, and I have uniformly deferred when I could do so to requests of that

Mr. SMOOT. I want to say to the Senator that there are a number of Senators who have left the Chamber within the last 15 minutes with the understanding that we would not reach a vote upon the bill to-night, and therefore I think it is only proper that the amendment should go over until to-morrow.

Mr. OWEN. I think the Senate is nearly ready to act on the

Mr. SMITH of Georgia. Would it not be well to ask the Senator from Oklahoma to present, at least for the information of the Senate, such other amendments as he contemplates offering? So far as the amendment he has submitted is concerned, I have grasped it at once, and I am in perfect accord with it. I think it is a wise amendment

Mr. SIMMONS. I think the amendment ought to be adopted; and, so far as I am personally concerned, I am perfectly willing

that it shall be placed in the bill.

Mr. SMOOT. If the present law is as stated by the Senator from Oklahoma, and, of course, I have no reason to doubt that it is, I myself think that his amendment ought to be adopted. I only thought at the time I should really like to look it up.

Mr. SIMMONS. I suggest to the Senator from Utah to let us act upon it. I am very anxious to get this bill out of the Committee of the Whole to-night. The amendment can be reconsidered to-morrow, if the Senator from Utah shall so desire.

Mr. SMOOT. I have no objection to it.

Mr. HOLLIS. Mr. President, the bill can not be gotten out of the Committee of the Whole to-night; that is impossible.

Has the Senator some amendments to offer? Mr. SIMMONS.

Mr. HOLLIS. I have several; I think probably a dozen or 15. Mr. SIMMONS. Then I move that the Senate adjourn.

I ask the Senator to withhold that motion. Mr. OWEN.

Mr. SIMMONS. I withhold the motion.

Mr. OWEN. I send to the desk an amendment, to which I call the attention of the chairman of the committee. I wish to have it go into the RECORD. I do not intend to press it; but I want to put in the RECORD a view of what I think ought to be done in giving this relief. I only ask that the amendment be printed in the RECORD, and I will submit a few remarks on it in

The PRESIDING OFFICER. Without objection, the amendment proposed by the Senator from Oklahoma will be printed in

the RECORD.

Mr. Owen's proposed substitute is as follows:

That for the purpose of affording financial assistance, either directly or indirectly, to persons, firms corporations, and associations whose operations are necessary or contributory to the prosecution of the war, in cases where such persons, firms, corporations, or associations shall be unable to procure funds on reasonable or practicable terms from the general public, or through the regular banking channels, and for the purpose of regulating and controlling the sale and offering for sale or subscription of securities hereafter issued, and for other purposes in aid of the prosecution of the war, the Secretary of the Treasury, together with four additional persons, shall comprise a war finance board (herein called the board).

SEC, 2. The Secretary of the Treasury to barely authorized the contributions.

called the board).

SEC. 2. The Secretary of the Treasury is hereby authorized through the board to advance to the Federal reserve banks an amount not exceeding \$500,000,000, which amount is hereby appropriated out of any money in the Treasury not otherwise appropriated. Such advances shall be made to such Federal reserve banks as the fiscal agents of the United States to be used for the purposes herein set forth.

SEC. 3. The four members of the board shall be appointed by the President of the United States, by and with the advice and consent of the Senate. Whenever a vacancy shall occur in the board, the person appointed to fill such vacancy shall hold office for the unexpired term. Three members of the board shall constitute a quorum. The term of office of the board shall end within one year from the termination of the war.

the war. SEC, 4. The principal office of the board shall be located in the District of Columbia, but the board may have agents in any Federal reserve

SEC. 4. The principal office of the board shall be located in the District of Columbia, but the board may have agents in any Federal reserve city.

SEC. 5. The four members of the board, appointed as hereinbefore provided, shall receive annual salaries, payable monthly, the amount of which shall be fixed by the Secretary of the Treasury, with the approval of the President of the United States, not exceeding \$12,000. The total compensation paid to any member as annual salary by the United States for any purpose shall not exceed \$12,000. Of the four members appointed, as hereinbefore provided, the President of the United States shall designate two to serve for two years, and two for four years; and thereafter each member so appointed shall serve for a term of four years.

Any member shall be subject to removal by the President of the United States. Before entering upon his duties, each member shall take an oath faithfully to discharge the duties of his office. Nothing contained in this act or in the Federal reserve act shall be construed to prevent the appointment of a member of the Federal Reserve Board or of any other governmental administrative body or of a director of a Federal reserve bank as a member of the board.

SEC. 6. The board shall be authorized to appoint and fix, subject to the approval of the Secretary of the Treasury, the compensation of such officers, employees, attorneys, and agents as are not otherwise provided for in this act, to define their duties, require bonds of them and fix the penalties thereof, and to dismiss any of them at pleasure.

The Secretary of the Treasury, upon the advice of the board, may make advances from the funds appropriated and the bonds authorized herein to any Federal reserve bank. Such Federal reserve bank shall open an account to be known as the "war finance fund" such Federal reserve bank is authorized, subject to the approval of the board—

(a) To make advances, upon such terms not inconsistent herewith,

open an account to be known as the "war finance fund" against such advances of funds and bonds. Out of the "war finance fund" such Federal reserve bank is authorized, subject to the approval of the board—

(a) To make advances, upon such terms not inconsistent herewith, as it may prescribe for periods not exceeding five years from the respective dates of such advances, (1) to any bank, banker, or trust company which has made, and which has outstanding, any loan or loans to any person, firm, corporation, or association whose operations shall be necessary or contributory to the prosecution of the war and evidenced by a note or notes, or (2) to any bank, banker, or trust company which has rendered financial assistance, directly or indirectly, to any such person, firm, corporation, or association by the purchase of its bonds or other obligations: Provided, That advances so made by the Federal reserve bank on the basis of any such loan or loans shall not exceed 75 per cent of the face value thereof: And provided, That any advances so made by the Federal reserve bank, in cases where such financial assistance shall have been rendered by the purchase of such bonds or other obligations, shall not exceed 75 per cent of the market value of such bonds or other obligations at the time of such advance, as estimated and determined by the Federal reserve bank: And provided further, That all such advances shall be made upon the promissory note or notes of such bank banker, or trust company may hold as collateral for such notes, bonds, or other obligations, which are the basis of any such advance, together with all the securities, if any, which such bank, banker, or trust company may hold as collateral for such notes, bonds, or other obligations. The Federal reserve bank shall, however, have power to make advances up to 100 per cent of the face value of any such bears of the proceeding part of this paragraph, and in addition thereto by collateral security, to be furnished by the bank, banker, or trust company, of such character

(c) To make advances directly (1) to any corporation owning or controlling (directly or through stock ownership) any railroad or other public utility, and (2) to any person, firm, corporation, or association conducting an established and going business whose operations are necessary or contributory to the prosecution of the war: Provided, That such advances shall be made only in such cases as the board of the control of the war. Provided, That under the control of the war is the control of the war is the control of the war. Provided, That under the control of the war is the war is the war is the control of the war is the war

NEC. 10. The board shall make monthly reports to the Congress, giving the name and place of business of the person, firm, corporation, or association to which such advances have been made under the provisions of this act, the amount advanced, and the security accepted SEC, 11. The term "securities," as used in this act, includes stocks, bonds, notes, certificates of 'n-lebtedness, and other obligations.

SEC, 12. The right to amend, alter, or repeal this act is hereby expressly reserved.

Mr. OWEN. Now I move, on page 11, line 5, after the words "Secretary of the Treasury," to insert as a new sentence the words "Such bonds shall be issued in terms of foreign money and sold to American importers at par to the extent necessary to cover their importations from countries whose currency is at a premium." I will explain that in the proping it is explanation. It will par the American gold dollar.
On page 11, where the language reads "Federal reserve

banks shall be authorized, subject to the regulations of the Federal Reserve Board, to rediscount and purchase paper and make advances secured by such bonds in the same manner and to the same extent and at the same rate or at such higher rates as the Federal Reserve Board may approve," I wish to insert as an amendment the words "at not less than I per cent in excess of the interest rate fixed upon commercial paper by the Federal Reserve Board in that district"

I will consider that to-morrow, but I do not wish to take any time in discussing it now, and I do not want to delay the Senate

in its adjournment. I have nothing further to offer,
Mr. SIMMONS. I move that the Senate adjourn.
The PRESIDING OFFICER. The question is on the amendment of the Senator from Oklahoma [Mr. Owen], pending which the Senator from North Carolina moves that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate adjourned until to-morrow, Thursday, March 7, 1918, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES.

Wednesday, March 6, 1918.

The House met at 12 o'clock noon. The Chaplain, Rev. Henry N. ~ 1 iden, D. D., offered the fol-

lowing prayer:

We stand in Thy holy presence, O God, our heavenly Father, with bowed heads and open hearts, that we may receive of Thine infinite wisdom, power, and goodness sufficient unto the needs of the hour; that we may be wise in our conceptions, strong in our convictions, firm in our purposes; that the work of this day may be well pleasing in Thy sight and conducive to the best interests of mankind; for Thine is the kingdom and the power and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and ap-

proved.

#### PNEUMATIC-TUBE SERVICE.

Mr. ROUSE. Mr. Speaker, I desire to present a minority report of the Commission to Investigate the Pneumatic-Tube Service, and I ask unanimous consent that the report be printed in the RECORD.

The SPEAKER. The gentleman from Kentucky presents a minority report of the Pneumatic-Tube Service Commission and

asks that it be printed in the RECORD.

Mr. CANNON. Was the other report printed in the Record? Mr. ROUSE. The majority report has been printed in the

Mr. JOHNSON of Washington. It was printed by the gentleman getting time in debate and extending it in his remarks.

Mr. ROUSE. I did it in that way because I did not want to use that time.

Mr. MADDEN. Inasmuch as the other report is in, let this

The SPEAKER. Is there objection?
Mr. STAFFORD. Reserving the right to object, Mr. Speaker, I would like to inquire how lengthy is the report of the minority

It is about 70 pages.

Mr. STAFFORD. Mr. Speaker, that is entirely too cumbersome a report to load down the RECORD with, and I object.

The SPEAKER. The gentleman from Wisconsin objects. Mr. ROUSE. Then I ask unanimous consent that a summary of the report be printed in the RECORD. It is only about 14

typewritten pages. The SPEAKER. The gentleman from Kentucky asks unanimous consent that a summary of the report be printed. Is there

objection?

Mr. STAFFORD. Has the summary been prepared?

Mr. ROUSE. Yes.

The SPEAKER. Is there objection?

There was no objection.

Following is the summary referred to:

MINORITY REPORT OF THE COMMISSION TO INVESTIGATE THE PNEUMATIC-TUBE SERVICE.

MINORITY REPORT OF THE COMMISSION TO INVESTIGATE THE PNEUMATICE TUBE SERVICE.

This commission was created for specific purposes. Its duties were clearly defined by the Congress. It had an opportunity to render a service of great value but, in my judgment, failed to do so.

The act creating the commission directed that it should:

"(a) Investigate the value of the pneumatic-tube service."

In prosecuting its investigation in compliance with this direction the commission did not summon before it a single expert postal official to ascertain his views and judgment as to the value of the pneumatic tubes. In neglecting to do so the commission failed to obtain at first hand the judgment of the only men qualified by experience and technical knowledge of the Postal Service to pass intelligently on this subject. The commission employed Stone & Webster, consulting engineers of Boston, Mass., to investigate the utility value of the pneumatic tubes. There is no evidence that any person connected with this firm has any technical knowledge of the postal methods and necessities of the present day.

In making their investigations the representatives of Stone & Webster did not confer with any person connected with the Post Office Department, neither does their report indicate that they obtained the judgment of responsible persons at the post offices where the tubes are operated as to the utility value of the tubes. It must be conceded that those in daily contact with the tubes and who are responsible for the expeditious handling of the malls are best qualified to testify to the

value of the tubes as a mail-carrying device. This was fully recognized in the early history of the tubes. The Search Commission, of which S. C. Mead, now secretary of the Merchants' Association of New York City, was a member, and which considered the question as to whether the pneumatic tubes should be owned, leased, or discontinued by the Government, in its report of December 20, 1900, stated:

"The Government, through its responsible officials, should be the final judge of the extent of ultimate adoption for the tubes!."

The Congress fully recognized the value of the judgment of experienced postal officials in this matter and would not even trust the Postmaster General to pass on the value of the pneumatic-tube service, because he might lack expert and scientific postal knowledge, but required by the act of April 21, 1902—

"That no advertisement shall issue until after a careful investigation shall have been made as to the needs and practicability of such service and until a favorable report, in writing, shall have been submitted to the Postmaster General by a commission of not less than three expert postal officials to be named by him."

This act applies to the pneumatic-tube service only and has never been repealed.

The commission was further directed to ascertain—

"(b) The value of the tubes, franchises, and other equipment with a view to the purchase or operation of the same or any portion thereof by the Government."

The commission made no investigation to determine the present physical condition of the properties of the pneumatic-tube companies, and so can not state their value. With reference to the franchises, the commission appointed in accordance with the provision of the act of August 24, 1912, employed Mr. Nathan B. Williams, a well-known attorney, to look into and report on their duration, and his report is, in part, as follows:

"Boston occupies all streets, revocable on order of city council."

look into and report on their duration, and his report is, in part, as follows:

"Boston occupies all streets, revocable on order of city council."

"New York, 25 years, from 1897." This franchise will expire in 1922, or four years hence.

"Chicago, 20 years, from October 12, 1903, with right of purchase after October 12, 1913." This franchise expires in 1923, and under its provision the property reverts to the city of Chicago.

"St. Louis, 25 years, presumably from June 10, 1903," This franchise will therefore expire in June, 1928.

"Philadelphia, no terms."

In connection with this franchise, however, attention is called to section 12 of an ordinance regulating the laying and construction of underground wires, electrical conductor, conduits, cables, or tubes, approved the 5th day of August, 1886, which was submitted by Mr. Williams, and which reads as follows:

"Should any company, corporation, firm, or individual to which privileges have heretofore or shall hereafter be granted for the laying of underground wires, electrical conductors, conduits, cables, or tubes, dispose of any of the franchises granted by ordinance, or lease to, consolidate, or merge with any other company, corporation, firm, or individual, they shall forfeit all rights and privileges granted to them by the city of Philadelphia, and upon satisfactory proof being furnished to the chief of the electrical department and the city solicitor, they are hereby authorized and directed to take similar action against the offending company, corporation, firm, or individual, as provided for in section 9 of this ordinance."

With respect to keeping the streets in repair, the franchises for the

Nance."
With respect to keeping the streets in repair, the franchises for the different cities require, according to the report of Mr. Williams:
"Boston: Person opening surface of street must make repairs for 12

New York: Streets must be restored and maintained. Chicago: Deposit covering estimates for repair costs must be main-

tained.
"St. Louis: Deposit covering estimates for repair costs must be main-

"St. Louis: Deposit covering estimates for repair costs must be maintained.
"Philadelphia: Repairs must be maintained for three years."
For the Government to spend millions of dollars to purchase tube systems operating under franchises which will expire within such a short period of time would be indefensible, as in one instance the property will revert to the city upon the expiration of the franchise and in another all rights and privileges granted by the city shall be forfeited upon sale. No business man would think of spending a dollar of his own money under like circumstances and surely we should not vote to squander the money of the public under circumstances where we would not be willing to spend our own.

The commission was also directed to:

"(c) Ascertain the cost and terms upon which such purchase may be made."

made."

While the commission has not determined the cost of the tubes, the majority report entilines a method of payment which is clearly impracticable. After payment of the interest on deferred payments it is proposed to deduct the costs of operation from the amount now appropriated for rental and to apply the difference to the purchase. In my judgment after the interest and operating cost and proper charges as such there will be little or nothing left to apply to the purchase of the tubes and they will be worn out long before final payment can be made. In justice to the pneumatic-tube companies, and if their properties are to be purchased they should know how and when they are to be paid. In justice to the public if Government funds are to be used for that purpose they should know the extent of the cost.

The evidence before it and upon which the commission must base its conclusions consists of the testimony of representatives of commercial and civic organizations, the report of Stone & Webster, the briefs of the pneumatic-tube companies and of the Post Office Department, together with the accompanying exhibits.

I wish every Member of Congress would read the report of the departmental commission of 1916, the brief of the department, the report of the Post Office inspectors, and the report of the various postmasters and supervisory officials (pages 64 to 241, Briefs and Data) that they might comprehend the question from the clear, concise reasoning of broadminded men, men of experience and technical knowledge of the Postal Service and who, when they discuss postal affairs, know what they talk about.

These reports analyze the service in the minutest detail. The statements and conclusions contained therein are fully supported by facts.

what they talk about.

These reports analyze the service in the minutest detail. The statements and conclusions contained therein are fully supported by facts. They are unanswerable and clearly disprove the arguments of the owners that the tubes are efficient and necessary to the Postal Service. This being true, the companies now resort to personal abuse and generalities to effect the sale of the tubes to the Government.

In reviewing the data before the commission the most careful consideration must necessarily be given to the respective interests of the parties involved. The owners of the tubes are in no wise responsible for the efficiency or conduct of the Postal Service. They are, however,

vitally interested, from a selfish standpoint, in disposing of their property to the Government. They have inspired every possible sentiment to enable them to consummate this end. On the other hand, the Post office Department, upon which rests the responsibility for efficiency in the Postal Service, must of necessity be vitally interested in procuring utilities best adapted to postal needs. The majority of the commission have entirely waived aside the facts presented by the department, as well as the judgment of the ablest men in the Postal Service. They have accepted instead the statements of the pneumatic tube owners and such inspired testimony as the latter, through hired agents, have been able to procure. If this commission questioned the judgment of the postal officials subscribing to the brief and reports of the Post Office Department and postal officials (pp. 64-241, Briefs and Data) it was clearly its duty to summon these officials and ascertain the fact upon which their opinions and conclusions were based and to determine the value of their judgment. These officials expected to be called before the commission and be so examined, and the fact is that the department urged that this be done.

While many investigations have been made of the pneumatic tubes by expert postal officials, only one of such officials recommended that the Government purchase the tubes. He served on two commissions within a short period of time and recommended both ways, once against and once for the purchase of the tubes.

In referring to the Postal Service the majority report states:

"The policy of those responsible for efficient management should be, however, to keep pace with the growth and the development of the country and the necessity for a constantly improved service."

This policy is sound in principle, and the Post Office Department urges that it be permitted to follow it in practice. This commission can not expect the Post Office Department to keep pace with the growth and development of the country and meet the demand

improved service if compelled by Congress to use antiquated and obsolete devices.

This commission fully appreciates the importance of letter mail and the necessity for its expeditious handling. The majority report states:

"The records of the Post Office Department indicate that from three to five million letters are advanced in delivery each day by the tubes, which otherwise would be delayed. The commission feels that the additional cost for providing expedition for this amount of mail is fully justified. The engineers for the commission estimate that the expense of tube service and Government ownership to supplant the necessary automobile service to replace the tubes if discontinued would be about \$312 a day. The commission concludes that for this sum Congress can well afford to provide this special service for three to five million letters daily that would be enabled thereby to reach their destination earlier, which otherwise would not be true if tube service were dispensed with."

On this statement is based the recommendation for the purchase of the tubes.

It may be true that from three to five million letters are now advanced in delivery each day by the tubes, but in view of the evidence before the commission it is not justified in assuming that these letters will be delayed if the use of the tubes is abandoned, because the department proposes to handle them more expeditiously by other means. The report of the departmental commission, dated October 13, 1916, page 12,

of the departmental commission, dated October 13, 1916, page 12, states:

"The statements and reports heretofore prepared by different commissions on pneumatic tubes show the number of pieces of mail advanced by the use of the tubes. This should not be construed to mean that if the tubes were displaced the same quantity of mail would be delayed, for the reason that the existing screen-wagon schedules are so arranged as to permit of the greatest possible use of the pneumatic-tube service for the dispatch of letter mail."

The representatives of the department contended, when appearing before committees of Congress, that by rearrangement of the automobile schedules and by supplementing them with additional trips that practically all of the mail then advanced by tubes could have been handled without delay, and that much of the mail then delayed by the tubes advanced. They also showed how that later dispatches could be made by automobile than were being made by the paeumatic tubes. Experience has demonstrated that this claim was true. In the report of the investigation of the New York service (p. 82, Briefs and Data) it is stated:

by automobile than were being made by the paeumatic tubes. Experience has demonstrated that this claim was true. In the report of the investigation of the New York service (p. 82, Briefs and Data) it is stated:

"During the latter part of 1916 an investigation was made into the cause of the failure to dispatch mail for Washington, Baltimore, and Philadelphia to the train above referred to, a considerable portion of which was postmarked at Madison Square Station. At that time the closing for the last wagon to this train, which leaves the Pennsylvania Terminal Station at 9.45 p. m., was 8.48 p. m., while the closing for the tube to the same train was 8.53 p. m. Our investigation showed that the dispatch of mail to this train was jeopardized when placed in the tube containers at 8.53 p. m., and that the connection frequently was missed. Following our investigation a wagon, known as trip 155, was scheduled to leave Station D at 9.07 p. m., Madison Square Station at 9.18 p. m., and Station F at 9.27 p. m., arriving at the Pennsylvania Terminal Station with closing mail from those stations for train 139, above mentioned. The previous closing time of the tube for this train at Station D was 8.50 p. m., a difference in favor of the wagon of 17 minutes; Madison Square at 8.53 p. m., a difference of 25 minutes; and Station F at 8.50 p. m., a difference of 37 minutes. The records show that the wagon is regularly making the connection, whereas the connection at that hour by the tube was very uncertain. We cite this instance from the fact that this wagon was scheduled especially to make this connection, the tube service being undependable.

"In the event a complete wagon system is inaugurated, wagons for closings for the heavier connections would be scheduled from the other stations accordingly. It is unfair to compare the present schedules of wagon service with the tube closings for connections with trains, as, due to the fact that the tube service is malntained, the wagons have not been scheduled to provide for the transf

"It has been shown that 4,297 letters are advanced in delivery by tube service, but this advantage is offset by the more expeditious de-

livery of special-delivery parcels and large packages of first-class mail which the increased automobile service would give."

Hon. Martin B. Madden, of Chicago, a distinguished Member of this Congress, who is ever zealous in guarding the interests and efficiency of the Postal Service and whose judgment in matters of postal affairs is eagerly sought, stated, on page 366 of the hearings before the Post Office Committee in December, 1913:

"Mr. Madden, would you be surprised to know that an investigation that I made of the pneumatic-tube service in Chicago led me to the conclusion that it was a service of no special value, except in the matter of the 12 minutes time saved in closing the mali; that they would have to close 12 minutes earlier if they did not use the service; but that all mall sent through the pneumatic tubes from the office to the railway stations had to be broken up and be put in small packages in order to put it through the tubes at all, and then it had to be redistributed for transportation over the railroad at a cost of \$60,000? A number of clerks sufficient to consume \$60,000 a year in pay had to be maintained to put that mail back into form. Perhaps it might surprise you to be told that I could take a wheelbarrow from the main post office and start up to any of the ordinary railroad stations with it and load it in and get it malled on the train as quick as the pneumatic-tube service, taking the time for redistribution into consideration."

What has been demonstrated to be true in New York, Philiadelphia, and Chicago is equally true in the other cities where the tubes are operated. This clearly demonstrates that but few of the letters referred to by the commission will be delayed. It also clearly demonstrates that many letters now delayed through the use of the tubes can be materially advanced. The conclusions in the majority report, being based on false assumption, must naturally fall of their own weight.

It is the judgment of postal officials who are in daily contact with the tube service t

to their Government against its adoption, and stated that it possessed no advantage as a means of transporting mail over the ordinary road yan.

The conclusions in the majority report, in my judgment, are not justified for the following reasons:

First. Because they are not in accordance with the facts. When viewed in the most charitable manner, the data before the commission do not justify the purchase, retention, or operation of the tubes.

Second. The expenditure of millions of dollars by the Government to purchase the present pneumatic-tube equipment, which the postal officials state is inefficient, antiquated, and worn out, and of so little value that it would not be accepted as a gift, can not be justified.

Third. To compel the department by law to continue the use of these tubes which delay millions of letters annually and damage and destroy thousands of others would be indefensible.

Fourth. The purchase by the Covernment of the present tube systems, with tubes of various sizes, operating under franchises which are either revocable or which will expire long before final payment can be made, and in one instance which will revert to the city at the expiration of the franchise, would be little short of scandalous, and will justly deserve the condemnation of the public.

Fifth. The purchase of approximately 5 miles of pneumatic tubes which were abandoned as a commercial failure, and for which the Government has already paid a rental far in excess of the original cost to the tube company, is preposterous.

Sixth. The proposed method of payment for the tubes outlined in the majority report is but a weak attempt to justify and camouflage an extravagant waste of public funds at a time when the Government must sell liberty bonds and greatly increase taxes to secure funds to successfully prosecute the war.

Seventh To ignore the facts presented and the judgment of eminently qualified postal experts not only of the United States but of Great Britain, and yield to the insportunities of those financially interested

## CALENDAR WEDNESDAY.

The SPEAKER. This is Calendar Wednesday. The Clerk will call the list of committees

The Committee on the Judiciary was called.

TO PUNISH DESTRUCTION OF WAR MATERIAL

Mr. WEBB. Mr. Speaker, on behalf of the Committee on the Judiciary, I desire to call up Senate bill 383, House Calendar No. 4, I selieve.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

A bill (8, 383) to punish the destruction or injuring of war material and war transportation facilities by fire, explosives, or other violent means, and to forbid hostile use of property during time of war, and for other purposes.

Mr. WEBB. Mr. Speaker, on behalf of the committee, I desire to offer a committee substitute for Senate bill 383 and have it

read at this time for discussion.

The SPEAKER. The gentleman from North Carolina offers a committee substitute, which the Clerk will report.

The Clerk read as follows:

A bill to punish the willful injury or destruction of war material, or of war premises or utilities used in connection with war material, and for other purposes.

Be it enacted, etc., That the words "war material," as used herein, shall include arms, armament, ammunition, ciothing, food, supplies, stores, and all other articles of whatever description intended to be used by the United States, or any associate nation, in connection with the conduct of the war.

The words "war premises," as used herein, shall include all buildings, grounds, mines, or other places wherein such war material is being produced, manufactured, repaired, stored, mined, extracted, distributed, loaded, unloaded, or transported, together with all machinery and appliances therein contained; and all forts, arsenals, navy yards, camps, prisons, or other military or naval stations of the United States, or any associate nation.

The words "war utilities," as used herein, shall include all railroads,

pilances therein contained: and all forts, arsenals, mavy yards, camps, prisons, or other military or naval stations of the United States, or any associate nation.

The words "war utilities," as used herein, shall include all railroads, railways, electric lines, roads of whatever description, railroad or railway fixture, canal, lock, dam, wharf, pier, dock, bridge, building, structure, engine, machine, mechanical contrivance, car, vehicle, boart, or aircraft, or any other means of transportation whatsoever, whereon or whereby such war material or any troups of the United States, or of any associate nation, are being or about to be transported either within the limits of the United States or upon the high seas; and all dams, reservoirs, aqueducts, water and gas mains and pipes, structures and buildings, whereby or in connection with which water or gas is being furnished to the military or naval forces of the United States or any associate nation, and all electric light and power, steam or pneumatic power, telephone and telegraph plants, poles, whree, and fixtures and wireless stations, and the buildings connected with the maintenance and operation thereof used to supply water, light, heat, power, or facilities of communication to the military or naval forces of the United States, or any associate nation.

The words "United States" shall include the Canal Zone and all territory and waters, continental and insular, subject to the jurisdiction of the United States.

The words "associate nation," as used in this act, shall be deemed to mean any nation at war with any nation with which the United States is at war.

SEC 2. That when the Enited States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall willfully injure or destroy, or shall attempt to so injure or destroy, any war material, war premises, or war utilities, as herein defined, shall, upon conviction, thereof, he fined not more than \$10,000 or impriso

The SPEAKER. Does the gentleman from North Carolina desire to ask leave to consider the substitute for the Senate

Mr. WEBB. I desire to offer the substitute in lieu of the Senate bill.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to consider the committee substitute in lieu of the Senate bill. Of course, the time has not come to offer the substitute, but the Chair wants to warn the House that it is a House substitute for the Senate bill that the gentleman desires to discuss.

Mr. WEBB. That is right.

The SPEAKER. The gentleman from North Carolina has 45 minutes and the gentleman from Minnesota [Mr. Volstead]

Mr. WEBB. Mr. Speaker, when this bill was before the House on a Calendar Wednesday last April a number of gentlemen, among them our esteemed friend, the honored Republican floor leader [Mr. MANN], interposed very serious objections to certain language which was in the Senate bill, and it was seriously objected to by a number of Members. The language which at that time seemed to be most objectionable to those gentlemen was this, as found in lines 5, 6, 7, 8, and 9 in the Senate bill:

And all other articles of whatever description requisite to or intended to be used in connection with the conduct of war by the United States, as well as all machinery and other articles and accessories required for or connected with the production or manufacture of such war material.

The words "requisite to" seemed to cause most debate and most objection. The objections of those gentlemen ran to the Senate bill entirely.

We did not finish the bill on that day, and the chairman of the Committee on the Judiciary asked a special subcommittee to go over the Senate bill, which was reported hastily, I may say, and they proposed a substitute. The substitute that we now offer I think very largely eliminates that objection.

My recollection is that there was another objection which the debate did not fully develop, which was that it made the defendant guilty of a crime if he injured or destroyed by fire or other violent means either war materials or war utilities or war premises without requiring any evidence to show that he

knew that they were war materials or war premises or utilities, or that he intended to obstruct the operations of the war, so that the committee in the substitute provides that whoever in time of war, with intent to injure, hinder, or delay the prosecution of the war, or whoever, with reason to believe that his act would hinder, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, even if not by violence or explosion, injures or destroys any war materials or war utilities, shall be guilty of a crime.

In one sense we have restricted the bill a little and in another broadened it. It seemed that the words "requisite to" were objected to on the ground that they might cover anything that might possibly be used directly or indirectly to prosecute the war. It might cover corn or wheat in the fields, growing or otherwise, and, of course, the committee did not want to make it too broad. At the same time, they wanted to make it broad enough to cover anybody who would try to prevent or delay or hinder the successful prosecution of the war.

Mr. MADDEN rose.

Mr. WEBB. I yield to the gentleman from Illinois.
Mr. WEBB. I yield to my friend from Illinois.
Mr. WEBB. I yield to my friend from Illinois.
Mr. MADDEN. Of course, this gives any person charged with a crime described in this bill the right to a defense, to prove his case if he is innocent?

Mr. WEBB. Oh, absolutely. This is a civil bill and will be

enforced by the civil court.

Mr. MADDEN. I do not think it can be too drastic myself. If we are in this war to win, we have got to provide the means to win, and we must surround the Government with every safeguard to enable it to carry out the functions that devolve upon us by reason of the fact that we are in the war. Personally I believe that the committee have done a good job, and there ought not to be any question about the adoption of this bill

without debate, it seems to me.

Mr. WEBB. I thank the gentleman. If there is any further question about the substitute, I will be glad to try to answer it.

Mr. ROBBINS. Will the gentleman yield?

Mr. WEBB. I do.

Mr. ROBBINS. This bill applies to Government property. It does not apply to private property.

Mr. WEBB. Oh, yes; it does apply to all sorts of property if it is intended to be used in the prosecution of the war.

Mr. ROBBINS. Would it apply to works like the Westinghouse works, near Pittsburgh, if they are engaged in the manufacture of munitions.

Mr. MADDEN. Undoubtedly. Mr. ROBBINS. These works have been burned down, and there have been explosions in them, all of which have been believed to be because they were engaged in the manufacture of munitions; but they are privately owned property, not under the jurisdiction of the United States.

Mr. WEBB. Let me rend to the gentleman the definition of

war premises:

The words "war premises," as used herein, shall include all buildings, grounds, mines, or other places wherein such war material is being produced, manufactured, repaired, stored, mined, extracted, distributed, loaded, unloaded, or transported, together with all machinery and appliances therein contained; and all forts, arsenals, navy yards, camps, prisons, or other military or naval stations of the United States, or any associate nation.

Mr. ROBBINS. That description is quite broad, but would it yet include a privately-owned manufacturing concern engaged

in the manufacture of munitions?

Mr. WEBB. I imagine a privately-owned manufacturing concern "wherein such war material is being produced, manufactured, repaired, or stored," intended for the use of the United States, would be covered by this bill.

Mr. ROBBINS. I think it should be broad enough to cover

these cases

Mr. WEBB. We are perfectly willing to make it as broad as necessary, and if the gentleman can make any suggestion we shall be glad to consider it. This is practically the language suggested by the Attorney General. We have taken practically his definition of war premises.

Mr. DYER. If the gentleman will yield, I will say that there is not any question but what the committee rants to include all

matters of that kind.

Mr. WEBB. That is correct.
Mr. DYER. And it seems to me that that definition is ample for the purpose that the gentleman has referred to.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. WEBB. I do. Mr. STAFFORD. In hastily glancing over this bill I notice that it is much broader and more drastic than the original bill that we considered here some months ago.

Mr. WEBB. As I said in my opening statement, in one respect it restricts and in another respect it is a little broader, because the Senate bill provided that a man could only be punished when he committed some of these offenses by some violent means-by fire or explosion. We provide that he shall be punished if he injures or destroys any of these war utilities or premises, whether by violent means or not. We thought that a man who deliberately, with intent to delay the prosecution of the war, injured any utilities which were described in this substitute, which manifestly are necessary for the prosecution of the war, and did it with intent to injure or delay, or with the knowledge or belief that it may injure or delay the prosecution of the war, ought to be punished.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. WEBB. If my friend from Wisconsin has concluded his

remarks, I will yield.

Mr. GRAHAM of Illinois. I observe that the penalty fixed in the act is only fine or imprisonment. Suppose these acts result, as they frequently do, and have during the last few months, in the death of one or more persons; do you not think there ought to be some provision by which the death penalty could be in-

flicted in a case of that kind?

Mr. WEBB. The difficulty heretofore, as I understand, has been in apprehending the guilty person. If in any State of the Union a man blows up a building, and in blowing it up kills some one, he is liable to be hanged under the State law. This bill will put it in the power of the Government to run down and apprehend violators of this act.

Mr. GRAHAM of Illinois. Yes.

Mr. WEBB. And this is a remedy which is additional to what the State has against these very same offenses. We are defining offenses which are now punishable under the State laws, also offenses against the Government of the United States. We have not covered the death penalty; but we thought if we covered the others, then if the Government catches a man who actually committed any offense of this kind under the circumstances the gentleman suggests the State would probably hang him, and properly so.

Mr. STAFFORD. This bill in its phraseology would not prevent labor from striking to redress any grievances that they

might conceive they had—
Mr. WEBB. Not unless—
Mr. STAFFORD. In case that labor was employed in the manufacture of munitions or articles necessary for carrying on the war.

Mr. WEBB. No; not unless labor injured these war utilities by a combination whose intent was to delay the prosecution of the war.

Mr. DYER. Does the gentleman mean to say that a man who was working in one of these factories, a laborer who wants to go on a strike and does go on a strike, is to have any privileges that are not accorded to any other citizen under this proposed bill?

Mr. WEBB. Of course I do not say that. If a man strikes and injures war utilities or war premises as a striker, and does that with intent to delay or interfere with the prosecution of the war, he would be just as guilty as anybody else who does mt labor, and of course he ought to be.

Mr. REAVIS. Will the gentleman yield?

Mr. WEBB. I yield to my friend from Nebraska.

Mr. REAVIS. Section 1, page 2, lines 6 and 7, war utilities,

is defined in the bill to comprehend "railroad or railway fix-ture." Now, suppose in the course of a strike some railway fixture were injured with intent to injure the railroad company, but not with an intent to interfere with the prosecution of this war. In that event the striker would not be liable, unless he had reason to believe that his act would interfere with the prosecution of the war.

Mr. WEBB. That is why we have two offenses in the bill;

one, if he knowingly interferes with the prosecution of the war he is guilty of a crime, and, secondly, if he does an act with reasonable ground to believe that it will interfere with the prose-

cution of the war, that makes him guilty, too. Mr. STAFFORD. Will the gentleman permit me?

Mr. WEBB. Yes.

Mr. STAFFORD. I want to direct the gentleman's attention to section 2, as I believe the phraseology is broad enough to make it a crime under this bill in case the striker destroys property of the railroad company with the intention to gain his means of winning the strike. If it in any wise affects the dispatch of the war under that section, he would be guilty of a

Mr. REAVIS. Will the gentleman from North Carolina permit me to answer the gentleman from Wisconsin?

Mr. WEBB. Yes.

Mr. REAVIS. Under clause 2 of this bill the provision is as follows:

Sec. 2. That when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, or whoever, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall willfully injure or destroy, or shall attempt to so injure or destroy, any war material, war premises, or war utilities, as herein defined, shall—

Now, if the act of the striker is done without an intent to interfere with the prosecution of the war, and without reason to believe that it would so interfere with the prosecution of the war, he is not amenable to this bill.

Mr. STAFFORD. Who determines that?

Mr. REAVIS. That is a question of fact for the jury.

Mr. STAFFORD. Yes; it is for the jury, of course; but it occurs to me that under the drastic language of the section the case of the striker instanced by the gentleman from Nebraska would be liable.

Mr. WEBB. The striker's body is no more sacred than the

body of anybody else.

Mr. STAFFORD. But I understood the gentleman to say

that he would not be liable.

Mr. WEBB. I did not say that he would not be liable; I said he would be if he commits the acts denounced in the bill, just the same as anyone else.

Mr. REAVIS. Would the gentleman be in favor of acquitting a striker who did an act with reason to believe that it would

interfere with the prosecution of the war?

Mr. STAFFORD. I would not; but I say that under the phraseology, under a strict construction, he would be guilty of a crime in the case instanced by the gentleman from Nebraska.

Mr. REAVIS. I can not agree with the gentleman in the absence of an intent or something to put him on notice of the fact that he was interfering with the prosecution of the war.

Mr. WEBB. I will say that if the striker should throw a bomb into a munition plant, in which he had been at work, for the purpose of blowing up and killing or injuring the man for whom he is at work, he would be guilty under this bill, if the jury should find, and, of course, it would find without any hesitation, that he had reason to believe that blowing up the factory would interfere with the prosecution of the war.

There is no one in this Chamber who does Mr. STAFFORD. not wish to punish that character of man to the greatest extent, and not only give State authorities the jurisdiction which they

now have, but give national authority to prosecute such act.

Mr. WEBB. I am glad the gentleman has interjected the question, because I want it understood that the striker can not violate the law more than anybody else can violate it.

Mr. RUCKER. Will the gentleman yield?

Yes. Mr. WEBB.

Mr. RUCKER. The gentleman states if a striker throws a bomb for the purpose of blowing up a factory he would be guilty. Mr. WEBB. Yes.

Mr. RUCKER. Would the Government be required to show that he had the purpose in blowing up the factory when he knows that the bomb would be likely to blow it up?

Mr. WEBB. No.

Mr. RUCKER. If he throws a bomb, regardless of any pur-

pose, he ought to be guilty.

Mr. WEBB. We do make him guilty if he has reason to believe that destruction would retard the prosecution of the war.

Mr. RUCKER. A man must be held to be responsible for the ordinary consequences of his act. If he throws a bomb into a munition factory, the natural and usual consequence would be to delay it, and he must be held responsible for it.

Mr. WEBB. Yes; even if the bomb did not explode, if he made the attempt he would be guilty under this bill.

Mr. CANNON. Will the gentleman yield?
Mr. WEBB. Yes.
Mr. CANNON. The gentleman is now discussing the House substitute?

Mr. WEBB.

Mr. WEBB. Yes. Mr. CANNON. I have not had my attention directed to the House substitute, and therefore what I say is rathe a hop, skip, and a jump. When the President addressed the Congress before the Adamson bill passed he recommended the bill, as I recollect it, and for which I voted. In his address he also favored, in substance, legislation that when a dispute arose about wages between employers and employees it should be arbitrated, and pending arbitration it should be unlawful not for one man to quit his job, but unlawful to strike in pursuance of a conspiracy, until the award was made, and when made the award should be made a judgment of the court. Now, is there anything in this act or in any other bill pending that would tend to prevent these strikes until there was arbitration and the arbitration made the

judgment of the court?

Mr. WEBB. As far as my knowledge is concerned, I will say that I know of no bill pending before the Judiciary Committee along the line of the gentleman's suggestion that would squarely and simply prevent men from striking under any circumstances. Such bill may be pending before the Committee on Interstate and Foreign Commerce. However, I do not know of any such That committee might have jurisdiction of it, as it had jurisdiction of the Adamson railroad bill. I do not know whether such proposed legislation is pending or not.

Mr. HAMLIN. If the gentleman will permit me, in connection with the suggestion of the gentleman from Illinois [Mr. CAN-Non], would not that bill have this effect? Section 2 reads:

That when the United States is at war whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war—

A strike would not come within that provision.

Mr. WEBB. No; unless the strikers have the intent to interfere with the prosecution of the war and injure or destroy some

class of property defined in the bill.

Mr. HAMLIN. But that is preliminary. It continues

or whoever, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war.

Now, if men employed in a munition factory, for instance, should by common consent agree to strike, would not they have reason to believe that their conduct would interfere with and obstruct the United States in preparing for the war and carry ing on the war? In other words, would not that act come within

the provisions of this substitute?

Mr. WEBB. Their act would have to be accompanied by willful injury or destruction of some of the property described in the bill. If they committed that sort of act with intent or reasonable ground to believe the act would delay the United States in the prosecution of the war, then they would be guilty under this bill, but the mere fact of a peaceable strike, without some accompanying injury and without intent to injure the United States in the war, would not I think be covered by this

Mr. HAMLIN. The gentleman perhaps is right about that, but the way the substitute is punctuated it would seem to me to stand alone and to be somewhat disconnected from the provision of the substitute which the gentleman has just quoted.

Mr. WEBB. I will say to my friend that in section 2 there

are two offenses defined.

Mr. HAMLIN. Are there not three? That is the point I am making. The first is, "whoever shall interfere with intent to injure or obstruct."

Mr. WEBB. Yes. Mr. HAMLIN. The second is, "Whoever with reason to believe that his act may injure, interfere, or obstruct the United States or associate nations in preparing or carrying on the war,' and then the third is, "whoever shall willfully injure or obstruct.'

Mr. WEBB. Oh, no. Now, you come to the predicate of that whole sentence—"whoever with intent or with reasonable ground to believe shall destroy," and so forth.

Mr. HAMLIN. That is the point I want to have clear.

Would the gentleman accept or himself offer Mr. CANNON. an amendment which during the war would prevent conspiracies to strike? Evidently there have been conspiracies, especially on the Pacific coast and elsewhere. Would the gentleman object to an amendment or offer an amendment himself-he could do it better than I-that would substantially put upon the statute books the recommendations of the President when we passed the Adamson law and which he repeated in his annual message?

I will say to my friend that that is a tremendous question, as he knows, and I would not undertake to draw an amendment in a moment to cover the question. I imagine that when such bill does come to the House, if it comes at all, that the committee which handled the Adamson law will probably be requested to handle such bill.

Mr. CANNON. But this matter I speak of would not be in conference in the event the House adopts the substitute.

Mr. WEBB. If this bill goes to the Senate, the Senate can add to our substitute, and then both Senate bill and our substitute would be in conference.

Mr. CANNON. Yes; they could agree to our substitute with an amendment.

Mr. WEBB. Yes.
Mr. CANNON. But suppose the Senate does not do that?

Mr. WEBB. Then we have only the House substitute.

Mr. CANNON. Does not the gentleman think it would be well to put in the conference a provision, which could be drafted

readily, I think?

Mr. WEBB. I can not tell. I do not know whether that sort of an amendment right now would do more harm than good. These heads of the departments who are in closer touch with the labor situation than I am might be better judges about it. Of course, I do not think labor ought to be permitted to conspire to do anything with intent to injure the conduct of the war.

Mr. DYER. Mr. Speaker, will the gentleman yield?

Mr. WEBB. Yes.
Mr. DYER. I want to state with reference to the inquiry of the gentleman from Illinois [Mr. CANNON] that I doubt the advisability of attempting to amend this bill with such an amendment. That is too great and too important a matter, and it ought to be very carefully studied. England has enacted a law along the lines suggested by the gentleman from Illinois in the munitions act, and in effect strikes are not permitted there. They must submit their grievances and they are considered by a board of arbitration, and so forth. The matter would have to be very carefully drawn and carefully considered by the committee before it should be brought to the House, and I think it would be unwise to attach it to this bill.

Mr. CANNON. Mr. Speaker, if the gentleman will permit me in his time, as a war measure, during the war, it seems to me that it is vital and patriotic both that that legislation should be

enacted.

Mr. WEBB. Of course, as far as I am concerned, I expect the labor people of the country, through their duly elected spokesman—Mr Gompers—to be loyal to the Government and not to have any useless strikes, or even strikes that appear to be useful, if in so doing the progress of the war will be re-

Mr. CANNON. Does the gentleman think that Mr. Gompers has the power to control the I. W. W.?

Mr. WEBB. No; nobody can control them. Mr. DYER. Shot guns.

Mr. CANNON. Therefore, they have had the power so far to raise hell.

And now it seems to me, as a war measure-I am not going to speak about it as peace legislation-but as a war measure it could not hurt Mr. Gompers's organization whatever he might believe in time of peace should be the legislation, but whether it hurt or not, it seems to me that this legislation should cover everybody who conspires along the line of which I have spoken.

Mr. WEBB. Now, Mr. Speaker, I would be very glad if the gentleman from Minnesota desires to use some time that he

The SPEAKER. The gentleman from North Carolina occupied 25 minutes and the gentleman from Minnesota is entitled

Mr. VOLSTEAD. Mr. Speaker, I do not know that there is anything I need add to what has been said. I desire only to call attention in a general way to the character of the bill as it was originally introduced and as the committee modified it. The original bill was much more comprehensive in some respects, in fact it seemed to be broad enough to cover anything in the United States. The committee has modified it by limiting the scope of the bill to those things which are being used more directly by the Government in carrying on the war. The committee also broadened it, as the chairman has called attention to, as to the methods of committing the offenses, and having broadened it so as to comprehend a great many things that were not included in the original bill, it occurred to the committee that it would be necessary to again limit it so that it would not cover too much ground, so we inserted provisions in sections and 3 limiting the same to acts of injury committed with intention to interfere with, obstruct, or delay the war, or to acts where the person committing the injury would have reason to believe that he was obstructing, delaying, or interfering with the war. As amended, I think this act will be so administered that it will only comprehend those things that we ought to reach. Those matters where slight injury is done, should not come under this act. The bill aims to protect docks, bridges, buildings, food, clothing, and almost everything that you can imagine. Now, a slight injury to any of those things would not, es a rule, be punished by this bill because it could not ordinarily be shown that the injury was done with the intention to interfere with the war, nor could it be said that the person would have reason to believe that such slight injury would so interfere. It seems to me that the substitute for the Senate bill submitted here safeguards the individual; he will not be in jeopardy un-less he desires to be, and I think the bill is broad enough so that every case where the Government needs protection it can prosecute under this act and secure a conviction.

I think it is true that during this session and the preceding session the administration has been asking for powers that might be abused. I think the committee can justly claim that it has tried honestly to prevent giving the Government such I realize that in a time like this we ought to be careful. Public excitement runs high, and unless there is some protection in the law itself, some clear definition of every offense, men may be convicted and punished in cases where they ought not to be punished. I think, on the whole, the bill is fair and I hope will prove a salutary law.

Mr. STAFFORD. Will the gentleman yield? Mr. VOLSTEAD. I will.

Mr. STAFFORD. I am having some difficulty in getting the real meaning of the committee in the phraseology contained in section 2, particularly as it may affect the right of action of individual workmen in their right to strike for the improvement of their condition.

Mr. WALSH. Will the gentleman yield?

Mr. STAFFORD. I am directing my inquiry to the gentleman from Minnesota. Take the wording of the first part of that paragraph, assuming the case of a railroad strike, where the railroad men had done nothing but impede the carriage of munitions of war, including grain that might deteriorate, on the roadway in case they are not hauled, they would undoubtedly under the first clause of section 2 be interfering with the United States in preparing for or carrying on the war. There is no question about that.

Mr. WEBB. If my friend will permit-

Mr. STAFFORD. The next question is whether they will by that act come under the subsequent penal provision as foundin lines 13 and 14. Let me read it, having in mind the case of a striker on a railroad committing no overt act in injuring property, but only striking and impeding the carriage of grain or other foods that deteriorate because they are not carried to their destination, to the depots and the posts where they are needed for the support of our Army. Let us read it:

But when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war—

That goes down to line 15, where it goes on to sayshall willfully injure or destroy

Of course, he is not willfully injuring anything-

or shall attempt to so injure or destroy any war material, war premises, or war utilities

Mr. VOLSTEAD. Just a minute. Mr. STAFFORD. He is attempting to interfere with the war activities and his act of interfering with the transportation of foodstuffs is in effect injuring and destroying them.

Now, why is not the language broad enough to make it a crime under those circumstances for a man to strike and be punished

under the phraseology of this section? Mr. VOLSTEAD. If you will pardon me, that question makes almost a speech.

Mr. STAFFORD. I knew the gentleman was not pressed for time, and I thought I would set forth fully my proposition. If I knew the gentleman had been pressed for time I would have condensed it in two words, perhaps.

Mr. VOLSTEAD. Let me say that a criminal statute ordinarily is construed strictly. We have to-day upon the statute books a law authorizing strikes, permitting them. This bill could not be construed to repeal that statute.

Mr. STAFFORD. If the gentleman will permit me. Mr. VOLSTEAD. That would remain in force. Mr. STAFFORD. Will the gentleman permit there?

Mr. VOLSTEAD. Just a minute. Now, the language is not only that a person must intend to obstruct the preparation for war, but he must also injure or destroy certain property.

Mr. STAFFORD. Or attempt—
Mr. VOLSTEAD. Or attempt to injure or destroy certain things. I do not think that last part changes it at all. There must be an attempt to destroy or injure certain property.

Mr. STAFFORD. If the gentleman will permit, what is the natural consequence of a railroad strike, when in the organization of railroad men they determine to leave their employment and leave the freight cars on the tracks, which cars contain food and articles to supply our Army, except that the food and articles become deteriorated so that they can not reach their destination and he of value to the Government?

Mr. VOLSTEAD. That is not their act; that is their failure

to act. This requires an act to injure or destroy.

Mr. STAFFORD. This would be construed under this phraseology as an attempt to injure and destroy war material, which would include food.

Mr. VOLSTEAD. If it could be so construed, I would not

hesitate a minute to make it the law, as the act would have to be done with intention to interfere with carrying on the war.

Mr. STAFFORD. The gentleman is not hesitating. But the question is how far are we going under this phraseology? What is the real extent of this phraseology when actually applied by our judicial officials?

Mr. WALSH. Will the gentleman yield?

Mr. STAFFORD. I will.

Mr. WALSH. Would the gentleman say that if the members of a railroad union struck and left food upon the tracks so that soldiers might starve, they ought not to be punished?

Mr. STAFFORD. I do not say they should not; but I am

only pointing out the fact that if your law goes to the extent as worded that they will not be enabled to strike for the improvement of their conditions under this law.

They will not be enabled to strike and inter-Mr. WALSH. fere with the United States in the conduct of this war, and that is what the language says. The gentleman is an expert in

the English language and knows what it says.

And, furthermore, another member of the Mr. STAFFORD. committee, the gentleman from Nebraska [Mr. Reavis], contended that if a railroad striker would in the strike injure the railroad property without intent to interfere with the war this phraseology would not extend to him. I am presenting a case, and I wish to call it to the attention of the House, that under the phraseology as drawn it would prevent, apparently, any strike whatever where the strikers were engaged in the manufacture or connected with the manufacture of munitions.

Mr. DYER. What is the gentleman's position upon that

question that he is asking questions about?

Mr. STAFFORD. I am trying to ascertain from the committee whether they know fully the extent to which the phraseology of the law applies. There is a difference of opinion between members of the committee. I am pointing out a case where I say the law would apply, but the members of the committee say it would not.

Mr. DYER. The gentleman is a very distinguished lawyer, and if he thinks it would apply, would he take it that it changed a law or a subject like this?

Mr. STAFFORD. This bill when it was last considered was punctured by the leader of the minority. It has been thrown upon us here without any time for consideration. The members of the committee differ as to the application of this law.

Mr. WALSH. There is no difference at all.

Mr. STAFFORD. The gentleman from Nebraska [Mr. Reavis] differed in the construction of the law from the distinguished gentleman from Massachusetts [Mr. Walsh].

Mr. WALSH. No; he did not. Mr. VOLSTEAD. Mr. Speaker, I want to add a few words. I do not think there is any question about this language. It will have to be given a fair and reasonable interpretation, and it seems to me when you give it that it can not mean that a person is guilty because he may neglect to do certain things. be guilty of an act, not neglect. He must be charged with willfully injuring or destroying property with a certain intention or with a knowledge that it will result in injury to the Government. Now, the position that the gentleman assumes is that because laborers quit and neglect to do work, therefore they would be guilty. I do not think a criminal statute would ever be construed in any such fashion as that. It is an act that we condemn; it is not neglect. Of course, if men strike, and in that strike destroy or injure property, they would be guilty and ought to be punished. There is not any reason why the mantle of a labor organization should shield them from punishment any more than any other citizen of the United States

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

VOLSTEAD. Yes.

Mr. STAFFORD. As I stated before, there is not a Member here on this floor that does not wish to punish that very character of act that the gentleman is referring to, but there are Members here who take a different construction of this bill from what the gentleman and other Members place upon it. Mr. VOLSTEAD. Mr. Speaker, I reserve the balance of my

Mr. GARLAND. I want to ask the gentleman a question.

Mr. VOLSTEAD. Very well.

Mr. GARLAND. What is the actual effect of the language here? Does it not stop the right of railroad men to strike when they are carrying war material?

Mr. VOLSTEAD. I do not think so at all.
Mr. GARLAND. I want to be sure of that. I am not ob-

jecting to it.

Mr. VOLSTEAD. I do not think it could ever have such an

Mr. GARLAND. There is a difference of opinion in the committee as to the effect. Let us know.

Mr. VOLSTEAD. We can only give you an opinion. the language. It does provide for an affirmative, a specific act, a willful act. It can only be construed to interfering with labor organizations or strikes if it can be held to condemn omissions to do things. For instance, it is suggested that if you delay food in a train, that food will deteriorate and thus be lost to the soldiers.

Mr. GARLAND. Then it does mean that?

It does not condemn anything of that kind. Mr. VOLSTEAD. I am positive it could not be construed as meaning anything like that. It would not repeal the statute giving a right to strike. Repeals by implication are not favored.

Mr. GARLAND. It stops men from striking when carrying

war materials?

Mr. VOLSTEAD. I do not think so.
Mr. SUMNERS. Mr. Speaker, will the gentleman yield? I want to make a suggestion to the gentleman from Wisconsin [Mr. STAFFORD]

Mr. VOLSTEAD. Yes.
Mr. SUMNERS. Under this section the gist of the offense would be the destruction of war material, willfully injuring or destroying war material. That would have to be proved in the event the Government sought a conviction, and the Government would have to go further than that and prove that the destruction was with the intent and purpose to injure the United States or some nation engaged with it in this war. Two things: First, the willful destruction or attempt to destroy war materials; second, that that attempt was made with the deliberate purpose to injure this Government or one of its allies engaged in this That is all that is in the section, and that is in the section.

The SPEAKER pro tempore. Does the gentleman from Minnesota desire to use some time?

Mr. VOLSTEAD. I yield five minutes to the gentleman from

Illinois [Mr. Cannon].

The SPEAKER pro tempore. The gentleman from Illinois is

recognized for five minutes.

Mr. CANNON. Mr. Chairman, there seems to be a difference of opinion among the members of the committee as to just what this proposed substitute means. It has been a long time since I practiced law on a country circuit, 40 years plus, so that I do not know that my opinion as to what this bill means is of much account to myself or much account to the House.

But I will tell you what I would like to see done. I would like to see carried out President Wilson's recommendations when he addressed Congress on the Adamson bill, for which I voted, for that part that was then vital, with the crops ready to move, when I believed there would be a tie-up of the great terminals that would be disastrous. I doubt if I would have voted for it if it had not been for all of the recommendations in his address. which I had the right to believe would be enacted into law when

the Congress met in December.

Now, I have never gotten along very well with Samuel Gom-I agree with him in some things and I disagree with him in others. But it seems to me as a war measure he and every other patriotic citizen ought to agree upon this proposition—I will not say as peace legislation, because I know that he would not agree with me, touching peace legislation-but for war legislation I believe this or some other similar bill ought to be enacted that would render it unlawful, pending disagreement during the war, to interfere with production or transportation in American bottoms on the sea or on the railroads in the United States, on the farm, in a munition factory; that whoever conspired-mind you, now, not whoever refused to work as individuals, but whoever conspired-to obstruct the Government in the conduct of the war should be guilty of a crime.

Why, think of it! We draft the men and send them into the trenches, our citizens. They have got to have food, they have got to have munitions, with all that that means. They have got to have clothing, and they depend upon the people, their fellow citizens, to give them all that is necessary, and they do that without regard to the hours of labor. My God, if there should be a proposition that they should not fight for more than eight hours, they would be absolutely of no account in the event they were attacked or in the event they were attacking the enemy.

Now, whoever conspires to strike in an iron mine, or in a coal

mine, or in a copper mine, or in a zinc mine, or in a factory; or whoever strikes where there is production of food; whoever strikes where it is necessary to have transportation, and does it by virtue of a conspiracy, he ought to be guilty of a crime.

As I had occasion to say formerly, a chain is no stronger than its weakest link. Now, then, if this legislation is broad enough to cover the people, over 100,000,000 of them, that have organized an army and sent it into the trenches and that have constructed railroads and set them in operation and have

constructed ships and put them upon the sea-if it is broad enough to cover all the balance of us in giving them proper protection and proper support to enable them to be efficient in war, why, then, I am for the bill, and whoever is not in favor of just what I have spoken all along the line, to cover every one of 100,000,000 people during the continuance of this war, in my opinion is not a good citizen, and, if necessary. I would vote for legislation to punish him if he or they violate the law. [Applause.]
The SPEAKER pro tempore. The time of the gentleman

from Illinois has expired.

Mr. WEBB. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. GARD], a member of the committee.

The SPEAKER pro tempore. The gentleman from Ohio is

recognized for five minutes.

Mr. GARD. Mr. Speaker, this is essentially a matter of war legislation. In answer to the inquiries of the gentlemen from Pennsylvania, Wisconsin, and Illinois, I beg leave for a few moments to call attention to certain existing laws and what

this law seeks to put in their place.

Section 1668 of the present Revised Statutes provides a penalty for anyone who procures or entices any artificer or workman retained or employed in any arsenal or armory from leaving his work or to avoid or to break any contract he has for the performance of labor with and for the United States. Section 1609, the following section, provides a penalty for any workman who willfully and obstinately refuses to perform work assigned to him or who willfully and obstinately breaks a tool or any material used by him in the manufacture of Government work. These are the laws which have been enacted in times of peace. The committee substitute deals with the assemblage of the powers of the United States in three branches: First, war material; second, war buildings; and, third, war utilities; and it assembles these things, whether they be owned by the United States or by a private individual. Any building wherever war material is being made, even though privately owned, is under this committee substitute "war premises." It is, as I say, essentially a matter of war legislation, for it is an assemblage under the control and protection of the Government of things which are thought necessary for the continuance and perpetuity of the national life. Therefore, to the centralized power of the Government of all of the States-not in time of peace, but in time of war-is intrusted the protection of war materials, of war premises, and of war utilities. There is no doubt but that this bill covers a willful attack with intent to injure the United States in the destruction of material in any privately owned building.

There is equally no doubt under this bill that it applies not alone to the United States but to the associate nations, and by associate nations" we say in this committee substitute any nation at war with any nation with which the United States is at war. So that this bill seeks to protect with all of the power of the United States the things which are necessary for the winning of this war by the United States and its associate na-

Mr. JOHNSON of Washington. Mr. Speaker, will the gentleman yield?

Mr. GARD. Yes.

Mr. JOHNSON of Washington. I did not get the citation of the gentleman at the beginning of his remarks.

I referred to two sections, one section 1668 and the other section 1669 of the Revised Statutes. These are statutes essential in time of peace.

Mr. JOHNSON of Washington. Those are Federal statutes?

Mr. GARD. Yes.

Mr. JOHNSON of Washington. I understood the gentleman

to say Ohio.

Mr. GARD. No; they are Federal statutes. They are essentially peace statutes, and this is equally as essentially a war measure. I do not think there can be any reason by which you can read anything into this law other than the very vital and controlling principles which appear on line 13 of page 3, for the crime which is carried all through this bill is willfully injuring or destroying or attempting to so injure or destroy any war material, war premises, or war utility.

Mr. COX. Mr. Speaker, will the gentleman yield for a ques-

tion?

Mr. GARD. Yes.

I am very much in sympathy with what the gentleman from Illinois [Mr. CANNON] said a moment ago, and I want the gentleman's opinion on section 2 of the bill, whether it would be broad enough to cover the cases suggested by the gentleman from Illinois, where men conspire to strike and to quit, and things like that, which would bring production I to conspire to violate any act prohibited by it.

to a standstill. Of course, that is destroying the power of the Government.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. COX. Mr. Speaker, I ask unanimous consent that the gentleman be given five minutes more.

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. WEBB] has control of the time.

Mr. WEBB. I can yield the gentleman one more minute for the question, but I have promised all of the time allotted to me. Will the gentleman from Minnesota yield me five minutes?

Mr. VOLSTEAD. Yes.

Mr. WEBB. Then I yield five minutes more to the gentleman from Ohio.

Mr. COX, Is the language in section 2 or 3 of this bill

broad enough to cover cases of that kind?

Mr. GARD. Mr. Speaker, I am frank to say to the gentleman from Indiana, and likewise in answer to the suggestion or inquiry of the gentleman from Illinois [Mr. Cannon], that I do not think the language of section 2 would apply to a condition of conspiracy, or to any attempt by inaction, by not doing something to create the condition of which the gentleman speaks, and of which the gentleman from Illinois has spoken, The language of the bill in section 2, and it follows its meaning all through the bill, is that whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall do what? "Shall willfully injure or destroy or shall attempt to so injure or destroy." That is the crime—that he shall willfully injure or destroy any war material, war premises, or war utilities, I think the only construction which can be given to this law as it is presented by this committee substitute is that something must have been actively done by which one willfully and with intent to injure. interfere with, or obstruct the United States does something to injure or destroy or attempts to injure or destroy. I do not believe that the mere fact that one leaves a work, though essential to the Government, however wrong it may be from a moral standpoint, however it may be lacking in patriotism, would come within this law, In other words, I want to insist that my opinion of this statutory language as at present suggested is that it means some willful act must have been done or attempted to be done which would destroy or injure war materials, war premises, or war utilities

Mr. COX. Does not the gentleman think it ought to be

broad enough to cover that case?

Mr. GARD. I think it the primary duty of the people to-day, whether it is labor in the field or the shop or the shipyard, to labor for one thing, and that one thing is the winning of this I do not believe it should be obstructed or interfered with either by open act or by conspiracy. But so far as this act is concerned, it establishes a regulation of two things: First, the destruction of property; and, second, it goes beyond section 1669 of the Revised Statutes and creates a new act that when the United States is at war, one who willfully makes or causes to be made in a defective manner any war material-for instance, who willfully makes an engine for a submarine with a faulty cylinder, or one who willfully makes a defective gun barrel, or one who willfully puts weak material into the planes for an aeroplane any man who does it willfully with the intent to interfere with and obstruct the United States in its conduct of the war, is held to be guilty of a crime. It is a crime essentially of war time and made necessary because of war conditions.

Mr. CANNON. Will the gentleman yield?

Mr. GARD. Surely.

Mr. CANNON. The gentleman says this is a war measure? Mr. GARD. It is; it has no application except in time of war.

Mr. CANNON. What would the gentleman say to this amendment: In line 8, section 2. after the word "injure," insert the words "by conspiracy or otherwise to"? It seems to me that would cover the whole shooting match.

Mr. GARD. The objection I would have to that—and my objection is a legal one—my objection is that that should be added to the present conspiracy statutes which the United States already has.

Mr. CANNON. But we are not liable to get that. It would be legal to insert those words and have it enacted into law during the war, and it would prevent conspiracy to destroy production.

Mr. GARD. I see nothing against the legality.
Mr. WEBB. Let me say that it is a crime now under the general law of the United States to conspire to violate any United States statute. When this bill passes it will be a trune

Mr. CANNON. I do not know about that, but I will test the sense of the House and offer the amendment.

Mr. WEBB. Mr. Speaker, I yield five minutes to the gentle-man from Arkansas [Mr. Caraway], a member of the com-

Mr. CARAWAY. Mr. Speaker, I did not at first desire to discuss the bill. I want to do so now to answer the suggestion of some gentlemen on the Republican side of the Chamber that this is an act that could be construed to prohibit strikes. gentlemen will bear with me one minute, I wish to point out its real intent. There are three sections in the proposed act. The first deals wholly with definitions, undertaking to define what it is that the act declares shall be a crime if they be destroyed with intent to injure the United States in times of war. Section 2 and section 3 are the penal provisions of the act. They give to the Federal courts in time of war power to punish willful and malicious acts. That is all. Under a penal statute "willful" means an act done with wrongful intent or a bad motive. Therefore, a conspiracy is not touched in this act at all, nor is the right to strike interfered with. The proposed act provides "that if anyone shall willfully, with intent to injure property or interfere with the conduct of the war, destroy or attempt to destroy property." That is the only offense. It does not say that a man shall work or he can not work. Intent or knowledge is the essence of the act. If he accidentally or unintentionally injures property he is not guilty of an offense. But if he willfully, with a wrongful intent, does something that in its nature is calculated to interfere with the waging of the war by destroying property of the United States or property that has already been designed or intended for or set aside for the use of the United States in waging the war,

That is all. Mr. MILLER of Minnesota. Will the gentleman yield?

Mr. CARAWAY, Yes, Mr. MILLER of Minnesota. Does the gentleman think it

ought to be extended so as to include ships?

Mr. CARAWAY. Absolutely no. This bill is not intended affect workingmen in their relation to the Government. Whether Congress should undertake to conscript labor is a question which we are not now considering. Some people think we should. That is the only way you could keep anybody from striking, because the Constitution says you can not make a man work if he wants to quit unless as a punishment for crime. Congress has not the power to say you shall not strike.

Mr. MILLER of Minnesota. I am anxious to get the gentle man's opinion on this: Congress could not, and I do not think it ever should, tell a man that he can not quit work if he wants to, but Congress could properly say that a man should be guilty if he tries to organize his fellow workers for the purpose of Mr. CARAWAY. That could be done.
Mr. MEEKER. Will the gentleman yield?
Mr. CARAWAY. I will.

Mr. MEEKER. Suppose, for illustration, there is a strike, and incidental to the strike trouble that is going on war materials are destroyed. Would this bill reach that case?

Mr. CARAWAY. Incidental may mean anything. If a man

incidentally destroys property in his pursuit of a lawful end in a lawful manner as an incident of the strike, he is not guilty, but if in asserting his right to strike he should willfully and intentionally destroy property that was necessary for the Government to carry on this work he would fall within the provisions of this bill, and be punished under it.

Mr. REAVIS. Will the gentleman yield?

Mr. CARAWAY. I will.

Mr. REAVIS. Does not the bill go a little bit further than that? One of the provisions does not require intent on the part of the acting party to injure the United States, but if he destroys or attempts to destroy property that he has reasonable cause to believe would injure the United States

Mr. CARAWAY. Of course.
Mr. REAVIS. No matter what his intent was, his intent might be to injure the railroad company or to get even with some enemy, but acting under that intent if he has reasonable cause to believe that the consequences of his act are an injury to the United States he comes under the provisions of the bill?

Mr. CARAWAY. Of course.

Mr. MILLER of Minnesota. Is that so?

Mr. CARAWAY. That is in the provisions of the bill.

Mr. MILLER of Minnesota. I can not find the language, and I would like to have it pointed out.

The SPEAKER pro tempore. The time of the gentleman has

Mr. MEEKER. Mr. Speaker, I ask unanimous consent that the gentleman have five minutes additional.

Mr. IGOE. Mr. Speaker, I ask unanimous consent that the gentleman have five minutes.

Mr. MILLER of Minnesota. I certainly hope the gentleman

will have it, because I used a part of his time.

The SPEAKER pro tempore. This is Calendar Wednesday, and the time is regulated automatically by the rules of the House. Mr. WEBB. Mr. Speaker, maybe I can straighten out the atter. I ask how much time the gentleman from Minnesota has.

Mr. VOLSTEAD. Eighteen minutes, I think. Mr. MILLER of Minnesota. Could I have some of that time? The SPEAKER pro tempore. The gentleman from Minnesota has 18 minutes left and the gentleman from North Carolina 10

Mr. KEATING. Mr. Speaker, I desire to make a point of order that there is no quorum present.

Mr. WEBB. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas, as I have 10 minutes.

The SPEAKER pro tempore. But the gentleman from Colorado makes a point of order that there is no quorum present.

Does the gentleman insist upon his point of order? Mr. KEATING. Yes; I think the matter is of such importance that the Members of the House should hear the discussion. The SPEAKER pro tempore. The Chair will count. counting.] Evidently a quorum is not present.

Mr. WEBB. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Dooling Kehoe Kennedy, R. I. Kraus Austin Bland Saunders, Va. Scott, Pa. Scully Sells Dunn Brand Britten Byrns, S. C. Campbell, Pa. Cantrill Kreider Kreider
LaGuardia
Lehlbach
Lenroot
Lever
McClintic
McCormick
McCulloch
McLaughlin, Pa.
Maher Shallenberger Fairchild, B. L. Fairchild, G. W. Sims Sinnott Cantrill
Capstick
Carew
Carter, Mass.
Carter, Okla.
Clark, Fia.
Clark, Pa.
Claypool
Coady
Cooper, Ohio
Cooper, W. Va.
Copley
Costello
Crisp Ferris Foss. Small Foss Freeman Godwin, N. C. Graham, Pa. Gray, Ala. Greene, Mass. Griest Hamill Hamilton, N. V. Snell Steele Stephens, Nebr. Stevenson Stiness Stiness
Strong
Sullivan
Taylor, Colo.
Templeton
Tinkham
Van Dyke
Vare
Vestal Mann Mapes Mason Hamilton, N. Y. Harrison, Va. Haskell Heintz Helvering Hilliard Mason
Pou
Powers
Pratt
Price
Ragsdale
Riordan
Robinson
Rodenberg
Rowland Crisp Curry, Cal, Davidson Davis Vare Vestal Watson, Pa. Weaver Wilson, La. Wilson, Tex. Hollingsworth Hood Husted Dempsey Johnson, S. Dak. Jones, Tex. Kahn Denton Rowland Rucker Dewalt Dies Winslow

The SPEAKER pro tempore. Three hundred and twenty-two Members have answered to their names, a quorum.

Mr. WEBB. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER pro tempere. The Doorkeeper will open the doors.

Mr. WEBB. Mr. Speaker, I yield five minutes to the gentleman from Arkansas [Mr. Caraway], who had not completed his statement.

Mr. CARAWAY. Mr. Speaker, I want merely to supplement what I said rather imperfectly. I undertook to say that this bill did not deal with labor nor labor disturbances at all. It undertook to make a penal offense where anyone willfully destroyed or undertook to destroy certain properties, if he had the intent to destroy the property to injure the Government or had reasonable information to believe that his act would interfere with the prosecution of the war. Broadly speaking, it merely gives to the Federal courts the power to punish malicious mischief; that is all. The gentleman from Illinois [Mr. Cannon] undertook to inject in it a minute ago the suggestion for an amendment which would punish conspirators and strikers. Now, the general law has a provision that punishes people who conspire to commit an act that is made a crime by statute, so therefore the only effect, if the amendment of the gentleman from Illinois should be adopted and made a part of this bill, under the language as it is now drafted, would be to prevent people from conspiring to strike because there is a law on the statute books now that would punish them for conspiring to do an unlawful act, and it will be an unlawful act if this becomes a law if they

undertake to destroy or try to destroy certain properties designated in this bill. Therefore I am inclined to believe that anyone who stops to consider will see that the suggested amendment has no standing in this particular bill,

We are not dealing with labor troubles. We are undertaking, as I said, to extend the jurisdiction of the Federal court to punish malicious mischief. In section 2, which is the first penal

section, we say:

That when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, or whoever, with reason to believe that his act may injure, interfere with. or obstruct the United States or any associate nation in preparing for or carrying on the war, shall willfully injure or destroy, or shall attempt to so injure or destroy, any war material, war premises, or war utilities as herein defined.

Now, that is the penal part of section 2, namely, where he destroys or attempts to destroy, with the intent to injure or with knowledge that the destruction may injure the United States in preparing for or carrying on the war, the things that are defined in section 1 as war utensils or war materials, and nothing else.

Section 3 makes it a crime where a workingman, dealing with war materials or with war utensils as herein defined, shall make, willfully and intentionally, these things defectively. The intent to do wrong, the intent to injure, or with the knowledge that it may injure, must always be present if there is any

crime.

Now, I hope after reading it that any gentleman will see we are not dealing with the labor situation at all; not undertaking to say that men shall or shall not strike. We are not preparing a statute dealing with conspiracies, but with acts themselves; and therefore the suggested amendment of the gentleman from Illinois [Mr. CANNON] is wholly out of place in this act, and I do not think anyone who has read the bill with care and who is in sympathy with the legislation can afford to inject that question in this bill now. If Congress should deal—and I am not saying it should-with labor conditions, it ought to be in a bill prepared for that specific purpose.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. CARAWAY, Yes.

Mr. JOHNSON of Washington. Would this section 3 of this bill be likely to deal with sabotage as practiced by men who are destroying material or articles, and would it deal probably with the slowing up of labor in munition plants?

Mr. CARAWAY. It would not. It must be a willful act to injure or hinder the Government in waging war. We have

laws now on the books to meet the other situation.

Mr. JOHNSON of Washington. That might be sabotage. Mr. CARAWAY. It is the workman himself who makes in a defective manner the tool he is manufacturing for the Government we here deal with, where the defect is with a willful intent to injure the Government.

Mr. VOLSTEAD, Mr. Speaker, I yield five minutes to the gentleman from Missouri [Mr. Dyer].

Mr. DYER. Mr. Speaker and gentlemen of the House, this is a very drastic bill and one that ought to command the attention of the Members because of that fact and because of its importance. We all realize and understand that were we not at war such a bill would not be considered by Congress at all. These provisions that this bill affects, and for which it would punish, are all now taken care of by States. There are laws in every State that prohibit in effect everything that is covered by this bill. Congress with its war powers feels that it is important that this legislation should be considered and enacted. I believe, gentlemen, that it should be, and that there should not be any amendment made to this bill such as has been sug-

gested by several gentlemen.

The gentleman from Wisconsin [Mr. Stafford], by an inquiry, endeavored to lead to the belief that this bill would affect labor organizations, and that it would prevent strikes and combina-tions of men along that line. This bill, if enacted into law, would cover anyone who violated its provisions. If a laboring man in a factory where munitions were mad, and assembled, and so forth, should do anything with reference to destroying or making ineffective the machinery of the war, he would be amenable to it. But to say that the mere striking or his refusal to work would be punishable by this bill if enacted into law is, in my opinion, not so. There has been some discussion in this country as to the possible necessity of enacting a law to prevent strikes without first submitting the matter to arbitration. That law, if enacted by this Congress, should, as has been suggested by my colleague on the committee, the gentleman from Arkansas [Mr. Caraway], be considered by a committee with due deliberation and consideration. Other countries that are engaged in this war have enacted legislation somewhat similar to

the suggestion made by the gentleman from Illinois, the distinguished ex-Speaker [Mr. Cannon], and others. The munitions of-war act of Great Britain provides that it is unlawful for anyone to take part in a lockout or in a strike in connection with any difference, and where war munitions are being made, and so forth, unless the differences have first been reported to the board of trade and 21 days have elapsed since the date of the report and the difference has not during that time been referred by the board of trade for settlement in accordance with the act. That is the law in Great Britain. That would be the proper way to take up this question regarding labor.

Mr. COX. Will the gentleman yield?
Mr. DYER. I yield to the gentleman.
Mr. COX. For information only. As I understand it, the proposed bill is a war bill, pure and simple. No,, there is a statute in force against conspiracy-

Mr. DYER. Yes. Mr. COX. Is there any statute in force now in this country making it unlawful for men to strike?

Mr. DYER. There is none that I know of.
Mr. COX. I understood some one in the course of this discussion to say there was a statute in force making it a criminal offense to strike; and if this bill should become a law, would that law that is now on the statute books be affected?

The SPEAKER pro tempore. The time of the gentleman has

expired.

Mr. DYER. Will the gentleman yield me one minute more?

Mr. VOLSTEAD. I yield.

Mr. REAVIS. In answer to the gentleman from Indiana [Mr. Cox], the suggestion, as I remember it, was this, that there is a statute making conspiracy to destroy property a

But not to strike.

Mr. REAVIS. Or a conspiracy to violate law a crime. If this bill is enacted into law, then a conspiracy to do the acts prohibited by this act would come under it.

Mr. COX. Is that a dead letter until this becomes a law? Mr. REAVIS. It is not. for this reason, namely, that this is not the only offense prescribed by statute.

Mr. COX. Would this be an enabling act to the law now in

Mr. REAVIS. There is a statute making conspiracy to destroy property an offense.

Mr. DYER. But not to strike. Mr. REAVIS. Not to strike.

Mr. REAVIS. Not to strike. Mr. JOHNSON of Washington. But is there not always a misunderstanding where that law acts, as compared with where the State laws act, with regard to conspiracy to destroy prop-

Mr. DYER. Mr. Speaker, the provisions of the munitions-ofwar act, 1915, of Great Britain, to which I have referred, are as

follows:

2. (1) An employer shall not declare, cause, or take part in a lockout, and a person employed shall not take part in a strike, in connection
with any difference to which this part of this act applies, unless the
difference has been reported to the board of trade and 21 days have
elapsed since the date of the report, and the difference has not during
that time been referred by the board of trade for settlement in accordance with this act.

(2) If any person acts in contravention of this section, he shall be
guilty of an offense under this act.

14. (1) Any person guilty of an offense under this act—

(b) Shell if the effects in the section of the section of

(b) Shall, if the offense is a contravention of the provisions of this act with respect to the prevention of lockouts, be liable to a fine not exceeding £5, in respect of each man locked out, for each day or part of a day during which the contravention continues; and
(c) Shall, if the offense is a contravention of the provisions of this act with respect to the prohibition of strikes, be liable to a fine not exceeding £5 for each day or part of a day during which the contravention continues; and

19. In this act, unless the context otherwise requires—

(a) The expression "lockout" means the closing of a place of employment, or the suspension of work, or the refusal by an employer to continue to employ any number of persons employed by him in consequence of a dispute, done with a view to compelling those persons, or to aid another employer in compelling persons employed by him, to accept terms or conditions of or affecting employment.

(b) The expression "strike" means the cessation of work by a body of persons employed acting in combination, or a concerted refusal, or a refusal under a common understanding of any number of persons employed to continue to work for an employer in consequence of a dispute, done as a means of compelling their employer or any person or body of persons employed, or to aid other workmen in compelling their employer or any person or body of persons employed, to accept or not to accept terms or conditions of or affecting employment.

Mr. REAVIS. Now, then, if this bill is enacted into law,

Mr. REAVIS. Now, then, if this bill is enacted into law, making the acts prohibited an offense, and people conspire to commit those acts but do not commit them, they are amenable to the conspiracy law, but not under this act.

The SPEAKER pro tempore. The time of the gentleman has

expired.

Mr. VOLSTEAD. Mr. Speaker, I yield five minutes to the gentleman from Michigan [Mr. McLaughlin].

The SPEAKER pro tempore. The gentleman from Michigan

is recognized for five minutes.

Mr. McLAUGHLIN of Michigan. Mr. Speaker, there is a law now on the statute books making a criminal offense of many of the things forbidden or prohibited in the measure we are now considering, and it occurs to me that there may be confusion if this bill also should become a law. The food-control act, as it is known, approved August 10 last, makes it unlawful to destroy any necessaries, and "necessaries" in that act are described as feed, fuel, including fuel oil, gas, and implements and machinery required in the production of any of these things. Those are all war materials as they are described by other words in this bill, and punishment is provided for the violation A fine not exceeding \$5,000 may be imposed, or imprisonment for not more than two years, or both. There might be a conflict between that law and this one.

Mr. GARD. Mr. Speaker, will the gentleman yield in that

connection?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. GARD. Such destruction is only for the purpose of enhancing prices

Mr. McLAUGHLIN of Michigan. Not that alone. The law provides punishment for destroying "necessaries" in order to

reduce the supply or enhance the price.

Now, as to the offense described in this bill, in my judgment the offense is better described in the food-control bill. bill makes it an offense if one destroys property that he knows is "intended to be used by the United States" in its different activities in carrying on the war. Also, it is made an offense, and must be established in the trial, that one has "reason to believe" that these articles—naming them—are to be used by the Government or are useful in certain respects connected with the war.

We studied a long time, Mr. Speaker, when we were framing the food-control act to find the best words to be used in setting forth the offense connected with the waste and destruction of food and other "necessaries," and it seemed to us that the words that would best fit the situation were the words used in this statute, "in order to reduce the supply or enhance the

price."

Now, the idea that we are trying to reach in this bill is to prevent the destruction of goods of one kind and another, so that the supply may not be decreased, and it seems to me that it would be easier to establish the guilt and to secure conviction if one charged with the offense of destroying property with intent to reduce the supply thereof than if he were charged and proof must be made in accordance with this bill as it is now worded. It will be difficult to establish the fact that the man charged with the crime knew that these goods were "in-tended for the use" of the United States or that he "had reason to believe" that they were necessary for use by the Government in carrying on the war, and so forth,

I simply call the attention of the House to the fact that there is already on the books a law, broad in its provisions, treating with much of the same matter that is treated in this bill, and that there may be confusion, and that, in my judgment, the words used in the food-control bill, some of them, are better than are the words used in the pending measure. I suggest these matters to the careful consideration of those who have

this bill in charge.

I wish to call attention to another section of the food-control act-section 9 of that act. It forbids and provides punishment

for conspiracies practically as follows:

That any person who conspires, combines, agrees, or arranges with any other person to limit the facilities for transporting, producing, manufacturing, supplying, storing, or dealing in any "necessaries"; to restrict the supply of any necessaries; to restrict the distribution of any necessaries; to prevent, limit, or lessen the manufacture or production of necessaries, and forth, shall upon conviction thereof be fined not exceeding \$10,000 or be imprisoned for not more than two years, and so forth.

Here is an act for the punishment of conspiracies in relation to many of the things with which the bill we are now con-sidering deals. This portion of the bill is not necessary, and the rest of it, whatever may be necessary or proper, ought to be in better form. Many of the things described in this bill are the identical things described as "necessaries" in the food act, and it is certainly not necessary or proper to enact another law for the punishment, as this bill seeks to do, of those who would combine or conspire to destroy or prevent or interfere with the production of all these things.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired. The gentleman from Minnesota [Mr. | that the boys in the Army might conspire?

Volstead] has seven minutes remaining, and the gentleman from

North Carolina [Mr. Webb] has five.
Mr. WEBB. Through an arrangement with Mr. Walsh, he kindly yield to me five minutes given to him by the gentleman from Minnesota.

The SPEAKER pro tempore. The gentleman has five minutes remaining, counting that. Some gentleman who was on the floor, I think the gentleman from Ohio [Mr. GARD], was permitted to go on for five minutes after the gentleman had yielded five minutes. It was deducted from the time of the gentleman from Minnesota and credited to the time of the gentleman from North Carolina. The gentleman from Minnesota has now seven minutes left, and the gentleman from North Carolina has five.

Mr. WEBB. I yield five minutes to the gentleman from Mis-

souri [Mr. IGOE], a member of the committee.

The SPEAKER pro tempore. The gentleman from Missouri

is recognized for five minutes.

Mr. IGOE. Mr. Speaker, I am in favor of the substitute offered by the committee. There seems to be some confusion, however, in regard to the purposes of the bill. It was introduced in April a year ago at the suggestion of the Department of Justice, and passed the Senate and was reported to the House. After some discussion in the House the bill was thought to be too drastic and was again taken up by the committee, and a substitute has been reported after the Attorney General had urged the necessity of some additional legislation.

As the bill came from the Senate a year ago, almost, it provided only for the punishment of offenses as the result of the use of explosives or by fire or by violent means. As the bill is now reported, it relates to any injury willfully inflicted. The bill, as I understand it—and I am sure that that is the purpose of the bill—is to make a Federal offense of what is now a State offense in the States for willful and malicious destruction of

property.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. IGOE.

Mr. IGOE. Yes. Mr. KEARNS. What law of any State does the gentleman recall at this time that would include the offenses enumerated in section 3 of the bill as to making defective ammunition and the like? Where is there any State law providing against that?

Mr. IGOE. I speak of section 2. I do not know of any State law that relates to the provisions of section 3.

Mr. KEARNS. I am not objecting. I think the law ought to

Mr. IGOE. Mr. Speaker, I hope that the Members of the House will not inject into this bill the labor question. It has no place in this bill. It was not considered by the committee. There is no question in this country or any of the nations that are at war more far-reaching and important than that very question, and it is not proper and it is not statesmanlike to propose a bill or an amendment, in a few minutes without proper consideration, affecting that very important and farreaching question.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. IGOE. I do.

Mr. COX. Has the gentleman any bill before his committee

that would deal with this labor problem?

Mr. IGOE. No. The gentleman's committee, so far as I know, has not suggested a bill. But I do know this, that the President of the United States and the Cabinet have been dealing with that question and considering it almost from the day this war began.

Mr. COX. I know; but they deal with it one day and apparently settle it to-day, and it breaks out again to-morrow worse than ever. Can we not get some law that would take hold of

that bunch of men?

Mr. IGOE. The trouble is that the gentleman is trying to settle in two minutes on this floor by devising an amendment a question that the President and all the nations at war have not been able to settle thus far.

Mr. COX. Something ought to be done.

Mr. IGOE. The gentleman is trying to make an amendment to prevent men from going on a strike. If his amendment were adopted, it would be an offense to say that the farmers shall not plant wheat because they can get more for corn.

Mr. COX. Ought it not to be? Mr. IGOE. That would be diminishing the supply. I am not prepared to say what we will be called upon to do, but I do say that whatever we do ought to be done only after mature and careful consideration and consultation with the people affected by the legislation. [Applause.]
Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. CANNON. Mr. Speaker, will the gentleman yield?
Mr. IGOE. I do.
Mr. CANNON. Would the gentleman think it wise to provide

Mr. IGOE. That has been provided against by the rules of war which have been in force for hundreds of years, and everybody knows that.

Mr. COX. If the boys in the Army conspired they would be court-martialed and shot.

Mr. CANNON. Will the gentleman permit another question?

Mr. IGOE. Yes.

Mr. CANNON. Is it not more important, or equally important, that the boys shall be clothed and fed and armed? [Applause.]

Mr. IGOE. I agree with that, and we are all for doing that, but I venture to say that if you undertake to put a brand upon every laboring man and every farmer in the United States, without giving him a chance to be heard, without consulting with him, you are going to run up against a condition that in the end will be worse than the condition that the gentleman sees

Mr. McLAUGHLIN of Michigan. Will the gentleman yield for a question?

Mr. IGOE. I do. Mr. McLAUGHLIN of Michigan. There is a law on the books now, passed last August, against conspiracies, combinations, and agreements or arrangements, and that law includes farming-a law against the destruction of foodstuffs or any of the necessaries of life.

Mr. IGOE. Can not an individual farmer now say. "I am not satisfied with the price of wheat and I will grow corn," and

if he chooses to do so can you now prevent it?

Mr. McLAUGHLIN of Michigan. An individual farmer can not make a conspiracy, but two farmers together can make a

conspiracy

Mr. IGOE. These gentlemen are not trying to reach conspiracies. They would reach the individual, because, under the bill it is provided that no individual may do certain things. There is a law now, as the gentleman knows, against conspiracy, under which if men combine to do things which are denounced in this act they may be punished as for a conspiracy. [Applause.1

The SPEAKER. The time of the gentleman has expired.

Mr. WEBB. Mr. Speaker, I hope very much that the House will not adopt this amendment offered by my distinguished friend from Illinois, if he means to include strikes. It is certainly too short a time in which to handle such a stupendous and important question. Whatever our personal feeling may be about the man who strikes, it is a very dangerous thing to legislate upon that with as little consideration as we are able to give it here. Besides that, the amendment that the gentleman offers does not cover the ground which he wants to cover. He wants to insert after the word "injury," in line 8, page 3, the words "by conspiracy or otherwise." That would mean that if anybody through a conspiracy injures or destroys Government property he will be guilty of a crime under the act. That adds nothing at all to the bill and is absolutely useless and

The SPEAKER. The time of the gentleman has expired.

Mr. WEBB. I understood I had five minutes from the gen-tleman from Minnesota.

The SPEAKER. It was all used up by the gentleman from Missonri.

Mr. VOLSTEAD. I have two minutes, and I yield those two minutes to the gentleman.

Mr. CANNON. I ask unanimous consent that the time may be extended five minutes, to go to the gentleman from North

Carolina [Mr. Webb].

The SPEAKER. The gentleman from Illinois asks unanimous consent that the time be extended five minutes, to go to the gentleman from North Carolina [Mr. WEBB]. Is there objection?

There was no objection.

Mr. WEBB. Let me finish this statement, Mr. Speaker. Mr. CANNON. Now, will the gentleman yield to me? Mr. WEBB. When I finish this statement.

Mr. CANNON. I wanted to give the gentleman the amendment that I propose to offer.

Mr. WEBB. Let me finish my statement about the amend-

Mr. CANNON. I have not offered any amendme Mr. WEBB. I yield to the gentleman, of course I have not offered any amendment yet.

Mr. CANNON. If the gentleman will take the House substitute and turn to page 3, line 15, I propose, after the word "defined" to insert:

or shall conspire to prevent the erection or production of such war premises, war material, or war utilities.

Mr. WEBB. Mr. Speaker, I do not think that amendment is germane. We are dealing above, in that same section, with persons who with intent to delay the progress of the war injure or destroy something. I do not think the amendment is germane.

The SPEAKER. The Chair will decide that when he gets to it.

Mr. WEBB. Now, the gentleman offers an amendment making it an additional crime to conspire-not to prevent an overt act but just simply to conspire to do something without denouncing the act. It does not require that a man shall do something, but just a mere conspiracy behind closed doors would make it a crime under this statute.

Mr. REAVIS. Will the gentleman yield?
Mr. WEBB. I yield to my friend from Nebraska; yes.
Mr. REAVIS. It is existing law now that a conspiracy to offend against the law of the United States is an offense. If this bill is enacted and becomes a law, will not a conspiracy to perform the act prohibited by this bill be punishable under the

conspiracy act?

Mr. WEBB. I will say to my friend, as I said a while ago, that section 37 of the criminal code provides that if two or more persons conspire to commit any offense against the United States, and so forth, he is guilty of a crime. So if this bill is passed as we recommend in the substitute, then a conspiracy to commit any of the offenses denounced in the bill will be a crime. I know what my friend wants, but it is rather difficult to accomplish unless you simply pass a bill absolutely forbidding laboring men to strike; but that is too big and broad a question at present to handle in this summary way. I am afraid the adoption of the gentleman's amendment would probably delay I am afraid the the passage of the bill, which we do think is so important a? this time.

Mr. VOLSTEAD. I yield two minutes to the gentleman from North Carolina [Mr. Webb].

Mr. WEBB. I understood a moment ago that the gentleman from Minnesota had agreed to yield to me the remainder of his

Mr. VOLSTEAD. That is it-two minutes.

Mr. WEBB. I do not care for that, Mr. Speaker, and I ask for a vote

The SPEAKER. The Clerk will read the bill for amendment. The Clerk began the reading of the bill.

The SPEAKER. Is there any amendment pending?
Mr. WEBB. The committee substitute for the House oil. and no other.

Mr. COX. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. COX. Will amendments be offered to the committee substitute or to the Senate bill?

Mr. STAFFORD. I suggest that the committee substitute for the Senate bill be read.

The SPEAKER. The Clerk will report the substitute.

The Clerk read as follows:

A bill to punish the willfur injury or destruction of war material or of war premises or utilities used in connection with war material, and for other purposes.

war premises or utilities used in connection with war material, and for other purposes.

Be it enacted, etc., That the words "war material," as used herein, shall include arms, armament, ammunition. clothing, food, supplies, stores, and all other articles of whatever description intended to be used by the United States, or any associate nation, in connection with the conduct of the war.

The words "war premises," as used herein, shall include all buildings, grounds, mines, or other places wherein such war material is being produced, manufactured, repaired, stored, mined, extracted, distributed, loaded, unloaded, or transported, together with all machinery and appliances therein contained; and all forts, arsenals, navy yards, camps, prisons, or other military or naval stations of the United States or any associate nation.

The words "war utilities," as used herein, shall include all railreads, railways, electric lines, roads of whatever description, railroad or railways, electric lines, roads of whatever description, railroad or railway fixture, canal, lock, dam, wharf, pier, dock, bridge, building, structure, engine, machine, mechanical contrivance, car, vehicle, boat, or aircraft, or any other means of transportation whatsoever, whereon or whereby such war material or any troops of the United States, or of any associate nation, are being or about to be transported, either within the limits of the United States or upon the high seas; and all dams, reservoirs, aqueducts, water and gas mains and pipes, structures, and buildings whereby or in connection with which water or gas is being furnished to the military or naval forces of the United States or any associate nation, and all electric light and power, steam or pneumatic power, telephone and telegraph plants, poles, wires, and fixtures, and wireless stations, and the buildings connected with the maintenance and operation thereof used to supply water, light, heat, power, or facilities of communication to the military or naval forces of the United States or any a

to mean any nation at war with any nation with which the United States is at war.

Sec. 2. That when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, or whoever, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall willfully injure or destroy, or shall attempt to so injure or destroy, any war material, war premises, or war utilities, as herein defined, shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned not more than 30 years, or both.

Sec. 3. That when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, or whoever, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall willfully make or cause to be made in a defective manner, or attempt to make or cause to be made in a defective manner, any war material, as herein defined, or any tool, implement, machine, utensil, or receptacle used or employed in making, producing, manufacturing, or repairing any such war material, as herein defined, shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned not more than 30 years, or both.

Mr. WEBB. Mr. Speaker, before moving the previous question I desire to yield ample time to gentlemen who have amendments to offer to discuss them.

Mr. COX. I have an amendment to offer. Mr. CANNON, Mr. Speaker, I offer the following amendment.

Mr. WEBB. Mr. Speaker, I would like to get an agreement. I desire to yield five minutes to the gentleman from Illinois [Mr. Cannon] and five minutes to the gentleman from Indiana [Mr. Cox]

The SPEAKER. The trouble is that the gentleman has no time to yield.

Mr. WEBB. I can move the previous question, but I do not want to do so until gentlemen discuss their amendments.

The SPEAKER. Has the gentleman from North Carolina any

proposition to make?

Mr. WEBB. I ask unanimous consent that each amendment offered shall be debated five minutes, and after that time the previous question on the substitute and bill shall be considered as ordered.

Mr. JOHNSON of Washington. Reserving the right to object, does the gentleman mean five minutes, pro and con?

Mr. WEBB. Yes.

Mr. CANNON. I think the gentleman had better postpone that temporarily; it may be that we will want a little more time.

Mr. WEBB. I would have no objection to that if I could get an understanding as to time. I want to state that once I got caught in this condition. I had a bill to which there was no objection, and a Member got the floor and talked an hour.

The SPEAKER. Any Member who gets the floor under the general rules of the House has a right to take an hour if he

wants it. If the gentleman asks to proceed under the five-minute rule as it is conducted in Committee of the Whole, the Chair will put that request.

Mr. WEBB. I think that is fair. I ask unanimous consent that on each amendment there may be five minutes for the pro-

ponents and five minutes in opposition.

Mr. CANNON. There may be amendments to an amendment. But, Mr. Speaker, I believe that the committee will be liberal in this matter.

Mr. WEBB. I will say that I will. Mr. Speaker, I ask unanimous consent to consider the bill under the five-minute rule.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to consider amendments to this bill under the five-minute rule as used in Committee of the Whole House on the state of the Union. Is there objection?

Mr. GRAHAM of Illinois. Reserving the right to object, does

that include pro forma amendments?

Mr. WEBB. It includes anything germane or appropriate

under the five-minute rule of the House.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the amendment of-fered by the gentleman from Illinois [Mr. CANNON].

The Clerk read as follows:

Page 2, line 15, after the word "defined," insert "or shall conspire to prevent the erection or production of such war premises, war mate-rials, or war utilities."

Mr. CANNON. Mr. Speaker, I hoped that the gentleman from North Carolina would accept the amendment. Does it add anything to the law? Some gentlemen have said that it does not add anything to it. If so, it can do no hurt.

Mr. WEBB. I make the statement, if the gentleman will permit, that his amendment punishes conspiracy without any overt act. The gentleman has not made the matter he speaks of in his amendment-that is, the prevention of the erection or production, and so forth-a crime. He undertakes to punish a man who conspires, simply, without punishing the completed act.

Mr. CANNON. Let me read it as it would read if the amendment was adopted.

Section 2 would read as follows:

Sec. 2. That when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, or whoever, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall willfully injure or destroy, or shall attempt to so injure or destroy, any war material, war premises, or war

utilities, as herein defined, or shall conspire to prevent the erection or production of such war premises, war materials, or war utilities, shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned not more than 30 years, or both.

Now, I fancy that it would amount to something if the amendment went in there. I believe it ought to go in. What is the use of shying? I ask it in all good faith. This is a war measure and not a peace measure. If the Industrial Workers of the World or any other set of people-if the farmers, if the producers, or anybody that produces anything that is necessary to carry on this war—conspires, in the language of this section and of this substitute, then they are guilty of a crime.

You may say that it is crude, that it has no place here. for everything a place, for all times a season. The fact that the war is on, and especially this war, makes this amendment apt. Does any Member who listens to me want to say that we have sent these soldiers abroad and yet that men can conspire to keep them from getting food, to prevent the construction of ships to carry the food, or of convoys to transport them when they cross, and all along the line-that the coal that is necessary, the iron that is necessary, the munitions that are necessary shall not go? If so, I am not in harmony with him, and I am here to say if anybody wants to criticize me for holding these opinions, by political threat or otherwise, and no one on the floor of the House desires to make a political threat, I would rather take the criticism and die than not to attempt to put the law on the statute books. [Applause.]

Mr. WEBB. Mr. Speaker, I say again that I do not think that this is the way to reach this tremendous subject.
Mr. KEATING. Mr. Speaker, I make the point of order that

there is no quorum present.

The SPEAKER. The gentleman from Colorado makes the point of order that there is no quorum present. Evidently there is not

Mr. WEBB. Mr. Speaker, I move a call of the House.

The motion was agreed to.
The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Kitchin Kraus Kreider LaGuardia Lehlbach Lenroot Anthony Estopinal Sanford Saunders, Va. Schall Evans Fairchild, B. L. Fairchild, G. W. Flood Austin Blackmon Blackmon Brand Brumbaugh Caldwell Campbell, Pa. Cantrill Capstick Carew Carlin Carter Mass Scott, Pa. Flood
Focht
Godwin, N. C.
Good
Godwin, N. C.
Good
Goodall
Green, Iowa
Greene, Mass.
Griest
Hamill
Hamilton, N. Y.
Harrison, Miss.
Harrison, Va.
Harskell
Haugen
Hawley
Hayes
Heintz
Hilliard
Hollingsworth
Hood Scully Sells Shallenberger Sherley Linthicum Lobeck Longworth
Lurkin
McClintic
McCormick
McLaughlin, Pa.
Maher
Mann
Mapes Sisson Slemp Small Snell Carin Carter, Mass. Church Clark, Fla. Clark, Pa. Coady Steele Stephens, Nebr. Sterling, Ill. Mann Mapes Martin Mason Mondell Montague Moore, Pa. Mott Mudd O'Shanness Coady
Cooper, Ohlo
Cooper, W. Va.
Copley
Costello
Crisp
Curry, Cal.
Davis
Dempsey
Dewalt
Dickinson
Dies Stevenson Stiness Strong Sullivan Templeton Tinkham Treadway Van Dyke Vare Walker Watson, Va. Hood
Howard
Hull, Tenn.
Husted
Johnson, S. Dak.
Jones, Tex.
Jones, Va.
Kahn
Kehoe
Kelley Mich Hood O'Shanness Parker, N. Y. Pratt Purnell Ragsdale Rainey Rayburn Riordan Dies Dixon Weaver Williams Wilson, La. Winslow Dooling Doremus Dowell Drukker Wood, Ind. Kelley, Mich. Kennedy, R. I. Kettner Robinson Rucker Sanders, Ind. Dunn

The SPEAKER. On this call 291 Members, a quorum, answered to their names.

Mr. WEBB. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to. The doors were opened.

### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. Caldwell, for one week, on account of important business:

To Mr. Jones of Texas, for one week, on account of illness;

To Mr, Brand, for the day, on account of sickness;

To Mr. Cooper of Ohio, for a few days, on account of sickness in family: and

To Mr. Кеное, until 4 o'clock p. m. to-day, on account of official

#### INJURY TO WAR MATERIAL.

Mr. WEBB. Mr. Speaker, the amendment of the gentleman from Illinois [Mr. Cannon] introduces a brand-new offense into the bill. We propose in the bill to punish any person who intends to interfere with the war, and with that intent destroys or injures some war utility or premise. The gentleman from Illinois provides a brand-new offense and says whoever shall conspire to prevent the erection or production of such war premises, and so forth, shall be punished. We have said nothing about the production or erection of war premises in the definition of war utilities, war premises, and so forth, so his amendment is entirely new. If the House desires to put a new offense into the bill, of course it can do so, and I have no objection; but in doing so it seems to me it would desire to require the same of the man who commits this offense as we do of the man who commits the other offenses set out in the bill, We propose that the man should intend to injure or delay the prosecution of the war, or that he had reasonable ground to know that his act would do that. Mr. Speaker, it seems to me that if the House desires to add this new offense, it ought to add the words "Whoever with intent to interfere with or obstruct the United States or any associate nation in preparing for and carrying on the war shall conspire to prevent the erection or production," and so forth, so as to make it harmonize with the preceding definitions of offenses. Otherwise you have two plans of finding men guilty. With one class, where a man blows up some war utility you have to prove that he had intent to injure or interfere with the prosecution of the war; but with another class, where two men sit down and talk about their refusal to build a telegraph line or an aqueduct or a sewer, while they may not be guilty of any overt act at all, if you prove they simply conspired together, without any intent to injure the war at all, you make them guilty of crime.

Mr. HUMPHREYS. Will the gentleman yield?

Mr. WEBB. Therefore, unless the gentleman's amendment is amended to correspond to the rest of the bill. I do not think the house ought to adopt it, in view of the requirements as to the other offenses in the bill.

Mr. HUMPHREYS. Will the gentleman yield?

Mr. WEBB. I do.

Mr. HUMPHREYS. If the amendment offered by the gentleman from Illinois is amended by the insertion of the words with such intent," would the gentleman from North Carolina object to it then?

Mr. WEBB. You could not use the words "with such intent."

Mr. HUMPHREYS. Why not?

Mr. WEBB. You can meet it by adding the language I have just read.

Mr. HUMPHREYS. Why would not the words "with such

intent" cover the proposition?

Mr. WEBB. If you put after the word "defined"

Mr. HUMPHREYS. Personally, I do not agree with the gen-I think the language of the gentleman tleman's construction. from Illinois now includes all that goes before it, but certainly it would if you said, "with such intent." Would the gentleman Would the gentleman object to it then?

Mr. WEBB. I have no objection, but if you put in the language "whoever, with intent to injure, interferes with, or obstructs the United States or any associate nation in preparing for or carrying on the war, shall conspire to prevent the erection or production of such war premises or war materials or war utilities," then, you have something in keeping with the rest of the bill.

Mr. HUMPHREYS. Has the gentleman any objection?

Mr. WEBB. I do not see any objection, but I do not see much use of it, because we have a general conspiracy statute

Mr. CANNON. If the gentleman will permit, if I understood the gentleman aright, he wants to do just what I want to do. Now. I will tell you the people I want to catch. Take the I. W. W.-

Mr. WEBB. I want to catch those, too; of course we all do; in fact, everybody who is trying to delay or obstruct the prose-

cution of the war.

Mr. CANNON. Take a thousand of them in the shipyards or in the forests and they go to work and conspire and arm. They do not commit any act. Have we got to wait until they kill and destroy and burn or commit any of these acts? I have no objection, if I understand the modification, to the amendment as amended, but I think it means that now.

Mr. KEATING. Will the gentleman yield for a question?

I will. Mr. WEBB.

Mr. KEATING. When the gentleman introduced this bill was it his intention, or was it the intention of his committee, to prevent a man from striking?

Mr. WEBB. I will answer that question in the negative; it was not. We have eminent and patriotic men, representing the Government at the request of the President, looking after all strikes or threatened strikes.

Mr. KEATING. Is not the object of the amendment offered by the gentleman from Illinois to prevent strikes? Is not that

the real object of the proposition?

Mr. WEBB. His language does not do so.

Mr. KEATING. Is not that what he seeks to accomplish? Mr. WEBB. I do not know what is in his mind, but I know what his language is. He now proposes to say, if he adopts my suggestion that whoever shall conspire to prevent the erection or production of such war premises or war materials or utilities with intent to hinder, delay, or to injure the prosecution of the war shall be guilty of an offense. That would not apply to strikers any more than anybody else.

The SPEAKER. The time of the gentleman has expired.

Mr. CANNON. Mr. Speaker, I ask that the time be extended

for five minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the gentleman from North Carolina have five minutes more. Is there objection? [After a pause.] The Chair hears none.

Mr. WALSH. I want to ask the gentleman from Colorado a question in the time of the gentleman from North Carolina.

The SPEAKER. Does the gentleman from North Carolina yield to the gentleman from Massachusetts to interrogate the gentleman from Colorado?

Mr. WEBB. I yield.

Mr. WALSH. Does the gentleman from Colorado believe, if it is going to interfere with our winning the war, that people ought to have the right to strike?

Mr. KEATING. If the gentleman from North Carolina will permit me to answer the interrogation of the gentleman from Massachusetts-

Mr. WEBB. I will.

Mr. KEATING (continuing). I will state my position. I do not believe that the interests of this country can be advanced by putting into law the thought that the gentleman from Illinois [Mr. Cannon] expressed on the floor to-day, which is that this bill should be so amended as to prevent workmen from combining for the purpose of quitting work. Our labor problems, I will say to the gentleman from Massachusetts, are being very ably handled by the executive branch of this Government-

Mr. CANNON. Will the gentleman yield-

Mr. KEATING (continuing). And I prefer to permit Woodrow Wilson, the President of the United States, to continue to work out the various phases of this issue in the way that he has decided to be the best way, rather than toss this apple of discord, of which the gentleman from Illinois [Mr. CANNON] is the creator, into the industrial problems of this country.

Mr. CANNON. Will the gentleman yield?

Mr. KEATING. I am opposed to conscripting labor because

our experience has shown it is unnecessary. In my judgment, it would be a monumental blunder.

Mr. CANNON. Will the gentleman yield?
The SPEAKER. Does the gentleman from North Carolina yield?

I yield to the gentleman. Mr. WEBB.

Mr. CANNON. So far as I know and believe, in recent days Mr. Gompers is doing what he can to control a great body of men, so far as a man can by influence control them. There is a great body of men that he does not control.

Mr. KEATING. Oh, but the trouble with the gentleman from Illinois is that when he talks in this House about controling the Industrial Workers of the World he is merely indulging in camouflage. His idea is to control all classes of labor in this country-those who would not think of joining the Workers of the World-and deprive them of essential rights. This bill does not apply to the Industrial Workers of the World, and the gentleman's amendment is not confined to that obnoxious organiza-

Mr. CANNON. I would control everybody in the United States that does anything by conspiracy to disable us from supporting the boys in the trenches. [Applause.]

Mr. WEBB. Mr. Speaker. I hope that we can agree on this amendment by adding the words which have been suggested.

Mr. CANNON. If I can get the gentleman to just sit down and fix the amendment.

Mr. WEBB. I can suggest the amendment if the Clerk can get it. Mr. CANNON. The amendment to the amendment?

Mr. WEBB. Yes.

The SPEAKER. What is it the gentleman from North Caro-

I want to add the following words before that amendment which has been offered by the gentleman from Illinois [Mr. CANNON].

The SPEAKER. Is the gentleman offering an amendment to

Mr. WEBB. Yes, sir.

The SPEAKER. The gentleman will send it to the Clerk.

Mr. WEBB. I want to suggest this, Mr. Speaker:

or whoever with intent to obstruct the United States or any associate nation in preparing for or carrying on the war—

The SPEAKER. Where does that come in? Mr. WEBB. Immediately after the word "defined," in line 15, and just ahead of the amendment of the gentleman from Illinois [Mr. CANNON].

The SPEAKER. It is an amendment to his amendment then?

Mr. WEBB. Yes, sir.

Mr. GRAHAM of Pennsylvania. Will the gentleman from North Carolina permit me to make a suggestion?

Mr. WEBB. Of course.

Mr. GRAHAM of Pennsylvania. Your amendment ought to come in after the word "or" in the amendment offered by the gentleman from Illinois.

Mr. WEBB. Yes. And then the language:

or whoever with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall conspire to prevent—

And so forth.

Mr. CANNON. I accept the amendment.
Mr. WEBB. I hope we can get out of it in that way.

The SPEAKER. Now, the Clerk will read these two amendments together, each a part of the same thing, and see how they will read, the Webb amendment and the Cannon amendment hitched together.

The Clerk read as follows:

or whoever with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall conspire to prevent the erection or production of such war premises, war material or war utility.

Mr. CANNON. I am satisfied with that amendment.

The SPEAKER. Now, the whole business will be voted on at

Mr. CANNON. I accept the amendment if there is no objec-

Mr. KEATING. Mr. Speaker, may I ask the gentleman from North Carolina a question?

Mr. WEBB.

Mr. KEATING. Before the House votes on this proposition think we should have from the gentleman from North Carolina his idea of what this amendment accomplishes. It is just possible that personally I may fully agree with the gentleman. I will say that if the amendment carries out the thought that think is in the mind of the gentleman from Illinois [Mr. CANNON] I would not agree to it.

Mr. CANNON. My mind is mine, and the language speaks for

Mr. KEATING. What is it the gentleman from North Caro-

lina believes the amendment would accomplish?

Mr. WEBB. It means this, that wherever two or more persons conspire or agree together not to construct or manufacture any war materials and that conspiracy is formed for the purpose of injuring and delaying or interfering with the carrying on of those persons shall be deemed guilty of a crime

Mr. BUTLER. If the purpose is to injure or interfere with

our preparation for the war.

The SPEAKER. The vote when it is taken will be taken on the combined Cannon and Webb amendments, they being considered as one. Debate on this amendment is exhausted.

Mr. NOLAN. Mr. Speaker, I move to strike out the

The Committee on the Judiciary, when they gave consideration to this measure, which I understand was drafted by the Department of Justice, had in mind the punishment of anybody who would willfully injure or destroy war material, or war premises, or utilities used in connection with war material, or other pur-Now, you are called upon here to vote upon an amendment that a great many of us are not clear upon. I do not know as the gentleman from North Carolina [Mr. Webb], the chairman of the Judiciary Committee, is entirely clear in his mind as to what his amendment would accomplish if adopted.

I have in my mind pretty clearly what the gentleman from Illinois [Mr. Cannon] intends to accomplish. I think he has frankly stated his position to the House. I think, however, if you adopt the amendment as proposed by the gentleman

from Illinois and amended by the chairman of the committee, that you will do more to disarrange the plan that the Government of the United States has had in mind regarding coordination and cooperation of labor in the production of war materials, both for our own armies and the armies of our allies, than anything that can possibly be done.

You are going to hold over the head of men and women engaged in the production—that is, on private contracts for the Government of the United States—the threat of punishment by penal statute, providing they get together for the purpose of

improving their condition.

SEVERAL MEMBERS. Oh, no! Mr. NOLAN. Oh, yes! It is conspiracy if they get together for the purpose of improving their conditions and striking to improve those conditions. There is no question about that.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. NOLAN. No; I have only five minutes. Mr. WALSH.

The gentleman is in error.

No; I am not in error. I think I know what Mr. NOLAN. the gentleman from Illinois [Mr. Cannon] proposes to accom-

plish, and he has frankly stated it.

Now, you have in the District of Columbia, in this city, meeting to-day, five representatives of employers and five representatives of organized labor, with Mr. Taft representing the employers and Mr. Frank P. Walsh representing labor. They were gotten together here for the purpose of formulating a plan whereby strikes will be discontinued during the war, so that the workers will produce munitions and materials to supply our armies in the field without cessation of work. have gotten together to formulate some plan, and I think they will succeed. You have got a wage-adjustment board connected with the Emergency Fleet Corporation that settled the strike question on the Pacific coast. They have recently rendered a decision along the Delaware River that affects fifty or sixty thousand men. They are going to New York next week, and the week after they will be on the North Atlantic coast, and the week after that they will be on the South Atlantic coast. When they hand down their decisions I am satisfied you will not have any trouble in the shipyards of 'he country.

I am satisfied that if you permit the Government of the United States to work out this labor problem you will have no trouble in war industries. But if you want to stir this thing up, if you want to hold over organized labor in this country the threat of jail simply because they might strike to better their conditions while working for a private employer who has got a Government contract, whether it be at Hog Island or at some other place, no matter what conditions the employer may impose on labor, I think you will disarrange the whole program. I think if this Congress, or some committee of Congress, wants to settle this question, they ought to do it in committee; they ought to allow those who have given time and attention to the subject an opportunity to come before the committee and have a free and

frank discussion of the whole subject.

Let us find out what the Government itself proposes. the men who are handling the labor problem for the Government handle this question, tell us what legislation is needed, and then it is time for Congress to act. But here you are asked, with 10 or 15 minutes' discussion, to adopt an amendment offered by the gentleman from Illinois [Mr. Cannon], supplemented by another amendment by the chairman of the Committee on the Judiciary, that if adopted will seriously disarrange your entire labor program during the war. [Cries of "Vote!" "Vote!"]

The SPEAKER. The pro forma amendment is withdrawn. Mr. LONDON. Mr. Speaker, I make the point of order that

there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count. [After counting.] Two hundred and twenty-one Members are present, a quorum. [Cries of "Vote!" "Vote!"]
Mr. MORGAN rose.

The SPEAKER. For what purpose does the gentleman from

Oklahoma rise?

Mr. MORGAN. I rise to move to strike out the last word. The SPEAKER. The gentleman from Oklahoma moves to strike out the last word.

Mr. MORGAN. Mr. Speaker, I was somewhat surprised at the chairman of the Committee on the Judiciary, who has this bill in charge, who seemed to agree to this amendment as modified

Mr. WEBB. I did not agree to it. The gentleman from Illinois [Mr. Cannon] accepted it. I said I had no objection

if he would accept it. It harmonizes with the rest of the bill.

Mr. MORGAN. Then, I will modify my statement and say I was somewhat surprised that he should agree to the modification. In other words, I think this House has the impression

now that this amendment as modified meets with the approval of the Committee on the Judiciary. That is my impression.

Now, I will say that I recognize the chairman's right to do

that, generally speaking, but I think where an amendment is offered to an important bill like this, covering an entirely new field, that brings in questions that were not involved in the original bill, which broadens the scope of the original bill, that it is not usual for the chairman of the committee, without much discussion, to virtually concede such an amendment.

Now, I am opposed to this amendment. In the first place, if we are to make a new law, a new criminal statute, which affects the right of labor to strike, we should consider it very carefully, very thoroughly, and very patriotically.

Mr. COX. Mr. Speaker, will the gentleman yield? The SPEAKER. Does the gentleman from Oklahoma yield to the gentleman from Indiana?

Mr. MORGAN. Yes.

Mr. COX. Does the gentleman believe that organized labor or any other body of men or women in this country should be given the right to strike and destroy the instruments of production and munition plants? [Applause.]

Mr. MORGAN. I believe that labor has the right to strike. [Applause.] I believe that at present labor, as a rule, is as loyal to the Government as capital. I believe that it is unwise to enact the legislation included in this amendment at this

It may be wise for the House here, with very little discussion, with practically no consideration, to authorize the courts of this land to indict every man who enters into a strike during the war; but I do not believe that that is wise. I have never posed as the champion of organized labor. There are others in this House more entitled to that position than I. But, at the same time, I do not think it is necessary for the Congress of the United States at this time to authorize the courts of the United States to prosecute every man connected with organized labor who strikes. [Applause.]

We can not win this war without the sympathy and support of the laboring men of this country. By this I mean all the men in our mills, factories, manufacturing plants, in the operation of our railways, on our farms, and in all our industrial establishments. These men are performing the labor necessary to clothe, feed, equip, arm, and maintain the soldiers and sailors

of the Army and Navy.

Not only this, perhaps 90 per cent of our soldiers and sailors go from the homes of the laboring classes of the country. Certainly we ought not to question the loyalty and patriotism of these men by hastily adopting an amendment which might be used to intimidate or prosecute and possibly to convict men who may have a just cause to strike even in war times. I have no sympathy with any man, whoever he may be or whatever may be his calling or occupation, who interferes with the American people in the prosecution of the war. I am willing to vote for any legislation that will mete out proper punishment for such men. But I am not willing to vote for a "conspiracy" provision which might be construed to interfere with the just rights of labor now so universally recognized. As a member of the Judiciary Committee, I have supported every measure designed to strengthen the arm of the Government in the great struggle In which we are engaged. As a Representative, I am auxious to contribute in every way possible to aid our brave soldiers and sallors to win the war. I desire to lighten their burdens, to lessen their sacrifices, and to relieve them of every danger and hardship possible. But I do not believe a conspiracy statute, applicable to labor generally statute. ute, applicable to labor generally, without proper safeguards thrown around it, will aid our Army or our Navy or contribute to our national strength in this hour of peril and danger.

Mr. WEBB. Mr. Speaker, I move that all debate on this amendment be now closed.

The SPEAKER. The gentleman moves that all debate on this amendment be now closed.

The motion was agreed to.

The SPEAKER. The pro forma amendment of the gentleman from Oklahoma [Mr. Morgan] is withdrawn. The question is on the joint amendment of the gentleman from Illinois [Mr. CANNON] and the gentleman from North Carolina [Mr. WEBB]. The question being taken, on a division (demanded by Mr.

NoLAN) there were-ayes 112, noes 45.

Mr. NOLAN and Mr. KEATING made the point of order that there was no quorum present.

Mr. CANNON. Mr. Speaker, the Chair just counted. I think

that point of order is dilatory.

The SPEAKER. The Chair thinks not. The point of order is made that there is no quorum present. The Chair will count. [After counting.] Two hundred and three Members present,

not a quorum. On the rising vote the ayes were 112, the noes were 47

Mr. BLAND. Mr. Speaker, a parliamentary inquiry. The SPEAKER. The gentleman will state it.

Mr. BLAND. When can we demand and obtain a roll call? The SPEAKER. The gentleman will get it in about half a The Doorkeeper will lock the doors, the Sergeant at

Arms will notify absentees, and the Clerk will call the roll. Mr. WINGO. May we have the amendment reported, Mr. Speaker? Let me suggest that as the section is short, the entire section be read as it would be if this amendment were adopted.

The SPEAKER. Without objection, the Clerk will report the

entire section, with the amendment.

The Clerk read as follows:

SEC. 2. That when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, or whoever, with reason to believe that his act may injure, interfere with, or obstrust the United States or any associate nation in preparing for or carrying on the war, shall willfully injure or destroy, or shall attempt to so injure or destroy any war material, war premises, or war utilities as herein defined, or whoever with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall conspire to prevent the erection or production of such war premises, war material, or war utilities, shall, upon conviction thereof, be fined not more than \$10,000 or imprisonment not more than 30 years, or both.

Mr. JOHNSON of Washington. Mr. Speaker, a parliamentary inquiry

The SPEAKER. The gentleman will state it.

Mr. JOHNSON of Washington. As I understood the amend-ment, it used the word "obstruct"; as the section was just read I understood that the words used were "interfere with."

Mr. CANNON. The word "interfere" is in the text as it

was reported, if the gentleman will look at the top of section 2.

Mr. JOHNSON of Washington. All right.

The SPEAKER. The question is on agreeing to the amend-

The Clerk will call the roll.

The question was taken; and there were-yeas 257, nays 59, not voting 112, as follows:

YEAS-

Alexander Almon Farr Ferris Anderson Ashbrook Aswell Bacharach Fess Fields Fisher Focht Fordney Barkley Barnhart Beakes Beshlin Foss Foster Francis Frear Free man Black Blanton Booher Borland French Brodbeck Gandy Browning Brumbaugh Gard Garner Garrett, Tenn. Garrett, Tex. Gillett Buchanan Burnett Burnett Burroughs Butler Byrns, Tenn, Campbell, Kan Candler, Miss, Glynn Goodwin, Ark. Gould Gould Graham, HI.
Graham, Pa.
Gray, Ala.
Gray, N. J.
Green, Iowa
Greene, Vt.
Gregg
Griest
Hadley
Hamilion, Mich.
Hamilin
Hardy
Harrison, Miss.
Harrison, Va.
Hastings Caraway Carlin Carter, Okla. Chandler, N. Y. Church Clark, Fla. Claypool
Collier
Connally, Tex,
Connelly, Kans,
Cox Cox Crago Cramton Crosser Currie, Mich. Dale, N. Y. Dale, Vt. Dallinger Darrow Hastings Haugen Hawley Heaton Heffin Helm Helvering Darrow Davidson Decker Hensley Hersey Hicks Dickinson Dill Holland Houston Hull, Tenn. Humphreys Hutchinson Dixon Doollttle Doughton Drane Dyer Eagan Jacoway Johnson, Ky. Johnson, Wash, Jones, Va. Quin Rainey Raker Ramsey Ramseyer Elliott Ellsworth Juul Fairfield Kearns

Kennedy, Iowa Kenvis Reavis Kincheioe Kinkald Rogers Katchin Romjae La Follette Larsen Rowland Lee, Ga. Ruker Ruker Lever Rucker Little Sahath Littlepage Lobeck Sanders, Longworth Lufkin Scott, Iow McAndrews McArthur McKinley McLaughlin, Mich. Shouse Madden Martin Sloan Mays Reavis Rodenberg Romjue Rose Rouse Rowland Ruley Rucker Russell Sahath Sanders, Ind. Sanders, Ind.
Sanders, La.
Sanders, N. Y.
Saunders, Va.
Scott. Iowa
Scott. Mich.
Scils
Shackleford
Shall nberger
Shelley Martin Mays Merritt Miller, Minn. Miller, Wash. Sloan Smith, Idaho Smith, Mich. Smith, Micl Snook Snyder Stragall Stedman Strenerson Moon Moores, Ind. Neely Nicholls, S. C. Nichols, Minn. Norton Oldfield Oliver, Ala. Steenerson Stephens, Mi Sterling, III, Stevenson Kumners Sweet Swift Switzer Talbott Taylor, Ark, Temple Tillman Tilson Tilnberlake Olney Osborne O'Shaunessy Overstreet Overstreet Padgett Palge Park Parker, N. J. Patker, N. Y. Peters Platt Polk Towner Treadway Venable Vestai Platt Polk Powers Pratt Price Purnell Vestal Vinson Volsted Walder Walker Walsh Ward Wason Watkins

Miss.

Watson, Pa.

Watson, Va.	Whaley	Wilson, Tex.	Voung S Dak
Weaver Webb	Wheeler	Wingo	Young, S. Dak, Young, Tex,
Welling	White, Me. White, Ohlo	Woods, Ind. Woods, Iowa	
Welty	Wilson, Ill.	Wright	
Ayres	Emerson	IS—59. Langley	Panlin
Baer	Flynn	London	Rankin Reed
Bankhead Bland	Gallagher Garland	Lundeen Lunn	Robbins
Browne	Gordon	McCulloch	Roberts Sherwood
lary lasson	Hayden Hilliard	McKeown	Siegel
ooper, Wis.	Huddleston	McLemore Mondeli	Smith, T. F. Stafford
avis enison	Igoe Ireland	Morgan Morin	Tagne
enton	James	Nelson	Taylor, Colo. Thomas
oillon ominick	Keating Kelly Pa	Nolan	Walton
dmonds	Kelly, Pa. King	Oliver, N. Y. Phelan	Woodyard Zihlman
llston	Knutson NOT VO	Porter FING—112.	
Anthony	Drukker	Kelley, Mich.	Robinson
Austin	Dunn Dupré	Kennedy, R. I. Kettner	Rowe
Blackmon	Eagle	Key, Ohio	Sanford Schall
Brand Britten	Estopinal Evans	Kraus Kreider	Scott, Pa.
yrnes, S. C.	Fairchild, B. L.	LaGuardia	Scully Sears
aldwell ampbell, Pa.	Fairchild, G. W. Flood	Lazaro	Sims
apstick	Gallivan	Lehlback Lenroot	Slemp Small
arew	Godwin, N. C.	Linthicum	Smith, C. B.
arter, Mass. handler, Okla.	Good Goodall	McClintic McCormick	Snell Steele
lark, Pa.	Greene, Mass.	McLaughlin, Pa.	Stephens, Nebr.
oady coper, Ohio	Hamilton, N. Y.	Maher Mann	Sterling, Pa. Stiness
ooper, W. Va.	Haskell Hayes	Mapes	Strong
ostello	Heintz	Mason Meeker	Sullivan Templeton
risp Col	Hollingsworth	Montague -	Thompson
Curry, Cal. Dempsey	Hood Howard	Moore, Pa. Mott	Tinkham Van Dyke
Dent Dewalt	Hull, Iowa	Mudd	Vare
Dies	Husted Johnson, S. Dak.	Overmyer Pou	Voigt Williams Wilson La
Dooling Doremus	Jones, Tex. Kahn	Ragsdale	TT IISUM, Late.
lowell	Kehoe	Rayburn Riordan	Winslow Wise
Mr. MAHER V Mr. Wilson Mr. Jones of Mr. Montagi Mr. Robinson Mr. Steele v Mr. Dewalt Mr. Bell wi	with Mr. Holling with Mr. Lehlba of Louisiana wit Texas with Mr. Use with Mr. San N with Mr. Ham with Mr. Cooper with Mr. Georg th Mr. Anthony	CH.  th Mr. Snell.  Dowell.  Ford.  Ilton of New Yo  of West Virginia  E. W. Fairchild.	a.
	on with Mr. Aus		
Mr. Byrnes	of South Carolin	a with Mr. Car	TER of Massach
etts.	L with Mr. CHA		
Mr. CAMPBEI	L of Pennsylvan	nia with Mr. Cr	LARK of Penns
vania.	ith Mr. Cooper o		
Mr. Coady w	ith Mr. Copley.		
	th Mr. Dempsey		
	th Mr. Costello		
	with Mr. CURRY		
Mr. Estopty	with Mr. Druk AL with Mr. Ben	KER.	mrrn!
Mr. Evans w	ith Mr. Good.	DAMIN IA FAIRC	HILD.
	with Mr. Rown	2	
	with Mr. Gooda		
Mr. FLOOD W	ith Mr. GREENE	of Massachusett	s.
	ith Mr. HULL of		
	of North Carolin Ohio with Mr. H		ES.
	with Mr. KAHN.	USIED.	
	with Mr. KELLEY	of Michigan.	
Mr. KETTNER	with Mr. Mason	1.	
Mr. Pou with	Mr. KENNEDY O	f Rhode Island.	
Mr. OVERMYE	ER with Mr. LENE	OOT.	
Mr. LINTHICE	UM with Mr. KRI	EIDER.	The state of the s
Mr. McCrrr	e with Mr. McL.	WUGHLIN of Peni	isylvania.
		KER. s of Pennsylvani	

Mr. RAYBURN with Mr. Moore of Pennsylvania.

Mr. RIORDAN with Mr. MUDD. Mr. Schall with Mr. Mott. Mr. Sims with Mr. Voigt. Mr. Stevenson with Mr. Stiness. Mr. SMALL with Mr. STRONG. Mr. SULLIVAN with Mr. SLEMP. Mr. CHARLES B. SMITH WITH Mr. TINKHAM. Mr. THOMPSON with Mr. WINSLOW. Mr. RAKER with Mr. LAGUARDIA. Mr. Wise with Mr. Kraus. Mr. VAN DYKE with Mr. WILLIAMS. Mr. Sterling of Pennsylvania with Mr. Johnson of South Dakota. Mr. EAGLE with Mr. VARE. Mr. Scully with Mr. Capstick. The result of the vote was then announced as above recorded. A quorum being present, the doors were opened.

Mr. WEBB. Mr. Speaker, I move the previous question on
the bill and all amendments thereto. The SPEAKER. The gentleman from North Carolina moves the previous question. Mr. WEBB. Mr. Speaker, I will withdraw that motion and allow the gentleman from New York [Mr. Lunn] to offer an amendment. Mr. LUNN. Mr. Speaker, I offer the following amendment. The Clerk read as follows: Add as a new section to follow section 2: "Nothing herein shall be construed as making it unlawful for employees to agree together to stop work or not to enter thereon with a bona fide purpose of securing better wages or conditions of employment." Mr. WEBB. Mr. Speaker, I reserve a point of order against the amendment. Mr. Speaker, I make the point of order that this amendment is not in order, and I insist on the point of order. I believe it ought to be sustained, because there is nothing in this bill that refers to employees or labor or wages or conditions; it only applies to conspiracies and doing certain things for the purpose of injuring or interfering with the Government in prosecuting the war. can not see how the amendment is germane. You might as well write into the bill that it is not intended to catch an honest man, True, some gentlemen have mentioned labor on the floor, but there is nothing in the bill referring to labor, employees, or conditions of labor. Mr. FOSTER. Mr. Speaker, but this amendment just placed upon the bill does speak of conspiracy. Now, the amendment of the gentleman from New York is only, as I understand it, to explain that this shall not apply in this way, so it seems to me that if the amendment which has just been placed upon the bill is in order it would not do to say that this amendment is not in order. It might have been so if this amendment had not been first placed upon the bill, but having been placed upon the bill and voted on by the House, it seems to me that this amendment is now in order The SPEAKER. The Chair is ready to rule. This amendment is simply a limitation on this bill, and the point of order is overruled. [Applause.] Mr. WEBB. Mr. Speaker, I move the previous question on the bill and all amendments to final passage. The SPEAKER. The gentleman from North Carolina moves the previous question on the bill and amendments to final pas-Mr. HUDDLESTON. Mr. Speaker, I make the point of order that we are considering the bill under the five-minute rule, and the motion is not in order until the Clerk finishes the reading of the bill for amendment. Mr. FOSTER. The bill has been read. Mr. HUDDLESTON. By unanimous consent it was agreed that we should consider the bill under the five-minute rule. The SPEAKER. The bill has been read.

Mr. HUDDLESTON. We have just had read the second section for amendment. We have not had read the third section under the five-minute rule. Mr. FOSTER. The whole bill has been read.
Mr. HUDDLESTON. But not since that agreement was made.
The SPEAKER. The previous question is in order. The question was taken, and the previous question was The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. LUNN].

The question was taken, and the Speaker announced that the

On a division (demanded by Mr. Langley) there were-ayes

Mr. CANNON. Yeas and nays, Mr. Speaker. Mr. BLANTON. Mr. Speaker, I demand the yeas and nays.

ayes seem to have it.

93, noes 69.

The SPEAKER. The gentleman from Illinois [Mr. Cannon] demands the yeas and nays. The Chair will count. [After counting.] Sixty-five gentlemen have arisen, a sufficient number, and the Clerk will call the roll.

The question was taken; and there were—; 2 answered "present" 1, not voting 116, as follows: 273, nays 38,

#### VEAS-273

Alexander	Flood	Lonergan	Sanders, N. Y.
Almon	Flynn	Longworth	Saunders, Va.
Anderson	Focht	Lufkin	Schall
Anthony	Foss	Lundeen	Scott, Mich.
Ashbrook	Foster	Lunn	Sells
Aswell	Francis	McAndrews	Shackleford
Ayres	Frenr	McArthur	Shallenberger
Baer	Freeman	McCulloch	Sherwood Shouse
Bankhead	French	McFadden	Siegel
Barkley	Fuller, Ill.	McKenzie McKeown	Sinnott
Barnhart	Fuller, Mass.		Chanden
Beakes	Gallagher Gandy	McLaughlin Mich	Smith Idaho
Bell Beshlin	Gard	McLemore	Smith Mich
Black	Garland	McLaughlin, Mich McLemore Maher Mansfield	Smith, C. B.
Blackmon	Garrett, Tex.	Mansfield	Smith, T. F.
Bland	Gillett	Mays	Snook
Booher	Goodwin, Ark.	Meeker	Snyder
Bowers	Gordon	Miller, Wash.	Stafford
Browne	Graham, Ill.	Mondell	Steagall
Brumbaugh	Gray, Ala.	Moon	Stedman
Buchanan	Green, Iowa	Moore, Pa.	Sterling, Ill.
Burnett	Gregg	Morgan	Stevenson
Burroughs	Hadley	Morin	Sumners
Butler	Hamilton, Mich.	Mott	Sweet
Byrns, Tenn.	Hamlin	Mudd	Swift
Campbell, Kans.	Hardy	Neely	Switzer
Candler, Miss.	Harrison, Miss.	Nelson	Tague Toylor Ant
Caraway	Harrison, Va.	Nicholls, S. C.	Taylor, Ark.
Carlin	Hastings	Nichols, Mich.	Taylor, Colo. Temple
Carter, Okla.	Hawley	Nolan Norton	Thomas
Cary	Hayden Heffin	Oldfield	Thompson
Chandler, N. Y.	Helvering		Tillman
Classon	Hensley	Oliver, Ala. Oliver, N. Y.	Tilson
Claypool Collier	Hersey	Olney	Timberlake
Connelly Tox	Hicks	Osborne	Towner
Connally, Tex. Connelly, Kans, Cooper, Wis.	Hilliard	O'Shaunessy	Treadway
Cooper, Wis.	Holland	Overstreet	Venable
Crosser	Houston	Paige	Vestal
Dale, N. Y.	Huddleston	Park	Vinson
Dallinger	Hull, Tenn.	Parker, N. Y.	Voigt
Darrow	Hutchinson	Phelan	Waldow
Davidson	Igoe	Powers	Walker
Davis	Jacoway	Price	Walsh
Decker	James	Purnell	Walten
Denison	Johnson, Wash.	Quin	Wason
Denton	Juul	Rainey	Watkins
Dickinson	Kearns	Raker	Watson, Pa.
Dill	Keating	Ramsey	Watson, Va.
Dillon	Kelly, Pa.	Ramseyer	Weaver Webb
Dixon	Kennedy, Iowa	Randali Rankin	Welling
Dominick	Key, Ohio	Reyburn	Welty
Dooling	Kincheloe King	Reavis	Whaley
Doolittle	Kinkaid	Reed	Wheeler
Doughton	Kitchin	Robbins	White, Me.
Dowell -	Knutson	Roberts	White. Ohio
Drane Dupré	La Follette	Rodenberg	Wilson, Ill.
	Langley	Rogers	Wilson, Tex.
Dyer Eagan	Larsen	Romjue	Wingo
Ellsworth	Lazaro	Rose	Woodvard
Emerson	Lea, Cal.	Rouse	Wright
Fairfield	Lesher	Rubey	Young, N. Dak.
Farr	Lever	Ru ker	Young, N. Dak. Young, Tex.
Ferris	Little	Russell	Zihlman
Fess	Littlepage	Sabath	
Fields	Lobeck	Sanders, Ind.	
Fisher	London	Sanders, La.	

#### NAYS-38.

Bacharach
Blanton
Borland
Cannon
Cantrill
Church
Cox
Crago
Cramton
Currie, Mich.

Dale, Vt. Edmonds Elliott Fordney Garner Garrett, Tenn. Glass Glynn Gray, N. J. Greene, Vt.

Heaton Helm Humphreys Johnson, Ky. Kiess, Pa. Madden Merritt Miller, Minn, Moores, Ind, Padgett

Parker, N. J. Peters Platt Sherley Steenerson Stephens Volstead Ward Miss.

ANSWERED "PRESENT "-1.

# Talbott

## NOT VOTING-116.

Austin
Brand
Britten
Brodbeck
Browning
Byrnes, S. C.
Caldwell
Campbell, Pa.
Capstick
Carew
Carter, Mass.
Chandler, Okla.
Clark, Fla.
Clark, Pa.
Coady
Cooper, Ohio
Cooper, W. Va.
Copley

Costello Crisp Curry, Cal. Dempsey Dent Dent Dewalt Dies Doremus Drukker Dunn Eagle Elston Esch Estopinal Evans Fairchild, B. L. Fairchild, G. W. Gallivan

Godwin, N. C. Good Goodall Gould Graham, Pa. Greene, Mass. Griest Hamill Hamilton, N. Y. Haskell Haugen Hayes Heintz Hollingsworth Hood Howard

Hull, Iowa Husted

Ireland Johnson, S. Dak. Jones, Tex. Jones, Va. Kahn Kehoe Kelley, Mich Kennedy, R. I. Kettner Kraus Kreider Kreider LaGuardia Lee, Ga. Lehlbach Lenroot Linthicum McClintic McCormick

Caraway Carlin

McLaughlin, Pa. Magee Mann Mapes Martin Sullivan Templeton Tinkham Van Dyke Pratt Ragsdale Riordan Sims Sisson Slemp Robinson Sloan Rowe Rowland Small Vare Williams Small Snell Steele Stephens, Nebr. Sterling, Pa. Stiness Strong Mason Montague Wilson, La. Winslow Wise Wood, Ind. Sanford Scott, Iowa Scott, Pa. Scotty Overmyer Polk Porter Sears Pou

So the amendment was agreed to.

The Clerk announced the following additional pairs: Until further notice:

Mr. TALBOTT with Mr. BROWNING.

Mr. Jones of Texas with Mr. Hollingsworth. Mr. McClintic with Mr. Lehlbach.

Mr. Sims with Mr. Greene of Massachusetts. Mr. Brodbeck with Mr. Husted.

Mr. CLARK of Florida with Mr. Kelley of Michigan, Mr. Dies with Mr. Stiness.

Mr. Jones of Virginia with Mr. Tinkham, Mr. Lee of Georgia with Mr. Winslow. Mr. Martin with Mr. Austin. Mr. Polk with Mr. Magee.

Mr. Scully with Mr. Porter. Mr. Sisson with Mr. Sloan.

Mr. TAYLOR of Colorado with Mr. TEMPLETON.

Mr. TALBOTT. Mr. Speaker, I am paired with the gentleman from New Jersey [Mr. Browning]. If he were present, I would vote "aye," and I desire to state that my impression is that if Mr. Browning were present he would also vote "ave."

Mr. FERRIS. Mr. Speaker, I desire to announce the unavoidable absence of Mr. McCLINTIC, of Oklahoma, who is sick in the

hospital with typhoid fever.

The result of the vote was announced as above recorded.

The SPEAKER. The question now is on agreeing to the committee substitute as amended.

The question was taken, and the committee substitute was

agreed to. The SPEAKER. The question is on a third reading of the

Senate bill as amended. The question was taken, and the bill was ordered to be read

a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill. Mr. COOPER of Wisconsin. Mr. Speaker, on that I demand the yeas and nays. There were some of us who voted against the Cannon amendment who wish now to vote for the bill.

The SPEAKER. The question is on passing the bill.

The question was taken.
Mr. IGOE. Mr. Speaker, I make the point of order that there

is no quorum present.

The SPEAKER. The gentleman from Missouri makes the point of order that there is no quorum present. The vote just taken discloses the presence of a quorum. The gentleman from Wisconsin demands the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Eighty-four Members have arisen, a sufficient number, and the yeas and nays are ordered.

The question was taken; and there were-yeas 321, not vot-

## ing 107, as follows:

ng 101, as 1011	YEA.	YEAS-321.	
Languages	Carter, Okla.	Dupré	
Alexander Almon	Cary	Dyer	
	Church	Eagan	
Anderson	Clark. Fla.	Edmon	
Anthony Ashbrook	Classon	Elliott	
Aswell	Claypool	Ellswo	
	Collier	Emerso	
Ayres Bacharach	Connally, Tex.	Esch	
Baer	Connally, Tex. Connelly, Kans.	Fairfie	
Bankhead	Cooper, Wis.	Farr	
Barkley	Cox	Ferris	
Barnhart	Crago	Fess	
Beakes	Cramton	Fields	
Rell	Crosser	Fisher	
Beshlin	Currie, Mich.	Flood	
Black	Dale, N. Y.	Flynn	
Blackmon	Dale, Vt.	Focht	
Bland	Dallinger	Fordne	
Blanton	Darrow	Foss	
Booher	Davidson	Foster	
Borland	Davis	Franci	
Bowers	Decker	Frear	
Browne	Denison	Freem	
Brumbaugh	Dent	Fuller,	
Buchanan	Denton	Fuller.	
Burnett	Dickinson	Gallag	
Burroughs	Dill	Gandy	
Butler	Dillon	Gard	
Byrns, Tenn.	Dixon	Garner	
Campbell, Kans.	Dominick	Garret	
Campbell, Kans. Candler, Miss.	Dooling	Garret	
Cannon .	Doolittle	Gillett	
Cantrill	Doughton	Glass	
Caraway	Dowell	Glynn	
Carlin	Drane	Goodw	

er gan lmonds lliott llsworth nerson ch airfield erris ess ields isher lood lynn ocht ordnev oster rancis rancis rear reeman uller, Ill. uller, Mass, allagher anagner andy ard arner arrett, Tenn. arrett, Tex. Glynn Goodwin, Ark.

Gordon Graham, Ill. Gray, Ala. Gray, N. J. Green, Iowa Greene, Vt. Greene, Vt.
Gregg
Griest
Hadley
Hamilton, Mich.
Hamlin
Hardy
Harrison, Miss.
Harrison, Va.
Hastings
Hawley
Hayden
Heaton Heaton Heffin Helm Helvering Hensley Hersey Hicks Hilliard Holland Houston Huddleston Lull, Iowa Hull, Tenn. Humphreys Hutchinson

Igoe In oway

Gordon

Taylor, Ark. Taylor, Colo. Temple Thomas Thompson Tillman Johnson, Ky. Johnson, Wash. Juul Miller, Minn. Miller, Wash. Mondell Romjue
Rose
Rose
Rouse
Rowe
Rubey
Rucker
Russell
Sabath
Sanders, Ind.
Sanders, I.a.
Sanders, Va.
Schall
Scott, Iowa Romine Jonnson, Wash.
Juul
Kearns
Keating
Kehoe
Keily, Pa.
Kennedy, Jowa
Key, Ohio
Kiess, Pa.
Kincheloe
King
Kinkaid
Kitchin
Knutson
La Follette
Langley
Larsen
Lazaro
Lea, Cal.
Lesher
Little
Littlepage
London Montague Moon Moore, Pa. Tillman Tilson Timberlake Towner Treadway Venable Vestal Vinson Volgt Moores, Ind. Morgan Morin Mott Neely Nelson Nicholls, S. C. Nichols, Mich. Nolan Norton Oldfield Scott, Iowa Scott, Mich. Volstead Waldow Walker Walsh Scott, Mich.
Sells
Schackleford
Shailenberger
Sherley
Sherwood
Shouse
Siegel
Sims Oldfield Oliver, Ala. Oliver, N. Y. Olney Osborne O'Shaunessy Overstreet Walton Ward Wason Watkins Watkins
Watson, Pa.
Watson, Va.
Weaver
Webb
Welling
Welty
Whaley
Wheeler
White, Ohio
Wilson, Ill.
Wilson, Tex,
Wingo
Wise Padgett Sims Sinnott Slayden Sloan Smith, Idaho Smith, Mich, Smith, C. B. Smith, T. F. Snook Paige Park Parker, N. J. Parker, N. Y. London Lonergan Longworth Lufkin Lufkin Peters
Lundeen Phelan
Lunn
Lunn
McAndrews Pou
McArtbur
McKeulloch Purnell
McKenzle Rainey
McKeown Raker
McKinley Ramsey
McLaughlin, Mich.Ramseyer
Madden Randail
Maher Rankin
Mansfield Rayburn
Martin Reavis Peters Phelan Platt Pou Snook Snyder Stafford Steagall Stedman Wingo
Wise
Wood, Ind.
Woods, Iowa
Woodyard
Wright
Young, N. Dak.
Young, Tex.
Zihiman Steenerson Stephens, Miss. Sterling, Ill. Stevenson Sumners Rayburn Reavis Robbins Sweet Swift Switzer Martin Mays Meeker Merritt

NOT VOTING-107. Ragsdale Reed Riordan Robinson Rowland Sanford Scott, Pa. Jones, Tex. Jones, Va. Kahn Engle Brand
Britten
Brodbeck
Browning
Byrnes, S. C.
Caldwell
Campbell, Pa.
Capstick
Carew
Carter, Mass.
Chandler, N. Y.
Chandler, Okla.
Clark, Pa.
Coody Elston Estopinal Brand Kelley, Mich. Kennedy, R. I. Kettner Evans Fairchild, B. L. Fairchild, G. W. French Gallivan Garland Kraus Kreider Scully Sears Sisson Slemp LaGuardia Godwin, N. C. Good Goodall Gould Lee, Ga. Lehlbach Lenroot
Lobeck
McCintie
McCormick
McLaughlin, Pa.
McLemore
Magee
Mann
Mapes Lenroot Small Snell Graham, Pa. Greene, Mass. Hamili Steele Stephens, Nebr. Sterling, Pa. Condy Cooper, Ohlo Cooper, W. Va. Copiey Costello Crisp Curry, Cal. Dempsey Dewalt Dies Doremus Drukker Dunn Hamilton, N. Y. Haskeli Stiness Strong Sullivan Haugen Hayes Heintz Templeton Tinkham Van Dyke Vare Williams Hollingsworth Mudd Hood Howard Husted Overmyer Polk Porter Wilson, La. Winslow Ireland Johnson, S. Dak.

Tague Talbott

So the bill was passed.

The Clerk announced the following pairs:

Until further notice:

Dunn

Mr. GALLIVAN with Mr. SANFORD.

Roberts

Rodenberg

Mr. Scully with Mr. Austin.

Mr. Sisson with Mr. Costello.

Mr. Lobeck with Mr. Greene of Massachusetts. Mr. McLemore with Mr. Kennedy of Rhode Island.

Mr. Polk with Mr. MUDD.

Mr. Crisp with Mr. Chandler of New York.

Mr. Gallivan with Mr. French. Mr. EAGLE with Mr. GARLAND.

Mr. Price with Mr. Gould. Mr. Sterling of Pennsylvania with Mr. Ireland.

Mr. Jones of Texas with Mr. Dempsey, Mr. Montague with Mr. Porter.

Mr. Riordan with Mr. Curry of California.
Mr. TALBOTT. Mr. Spenker, how am I recorded?
The SPEAKER pro tempore (Mr. Garrett of Tennessee in the nair). The gentleman is recorded as "present."

chair). The gentleman is recorded as "present.

Mr. TALBOTT. I am paired with the gentleman from New
Jersey, Mr. Browning. If he were present, he would vote "yea."

If therefore change my vote from "present" to "yea."

Mr. SIEGEL. Mr. Speaker, I want to say that if my colleagues Mr. LaGuardia and Mr. Magee were present they would vote "yea."

The result of the vote was announced as above recorded. On motion of Mr. Webb, a motion to reconsider the vote by

which the bill was passed was laid on the table.

Mr. MADDEN. Mr. Speaker, I make the point of no quorum.

LEAVE OF ADSENCE.

Mr. McClintic, by unanimous consent, was granted leave of absence indefinitely, on account of illness.

EULOGIES ON THE LATE REPRESENTATIVE HELGESEN.

Mr. BAER. Mr. Speaker, I desire to ask unanimous consent that Sunday, March 24, 1918, be set aside for addresses on the life, character, and public services of HENRY T. HELGESEN, late Representative in Congress from the first district of North

The SPEAKER pro tempore. The gentleman from North Dakota [Mr. Baer] asks unanimous consent that Sunday, March 24, 1918, be set aside for eulogies upon the life, character, and public services of the late Henry T. Helgesen, a Representative from North Dakota. Is there objection?

There was no objection.

#### EXTENSION OF REMARKS.

Mr. IGOE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on this bill.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to revise and extend his remarks in the RECORD on this bill. Is there objection?

There was no objection.

Mr. LUNN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on this bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.
Mr. Dyer, Mr. Morgan, Mr. Heflin, Mr. Linthicum, and Mr. Siegel requested unanimous consent to extend their remarks in the RECORD on this bill.

The SPEAKER pro tempore. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, I have no objection to gentlemen who spoke on the bill extending their remarks in the RECORD on this measure, but as to those who did not I shall opject.

The SPEAKER pro tempore. The Chair is unable to distinguish. Is there objection to the request of the gentleman from Oklahoma [Mr. Morgan]? [After a pause.] The Chair hears none.

Is there objection to the request of the gentleman from Missouri [Mr. Dyers]? [After a pause.] The Chair hears none.

Is there objection to the request of the gentleman from Maryland [Mr. Linthicum]? [After a pause.] The Chair hears none

Is there objection to the request of the gentleman from Alabama [Mr. Heflin]?
Mr. WALSH. Mr. Speaker, I object.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. Siegel]?

There was no objection.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on the bill just passed?

The SPEAKER pro tempore. Is there objection? [After a

pause.] The Chair hears none.

### DAYLIGHT SAVING

Mr. SIMS. Mr. Speaker, I want to ask unanimous consent that upon the conclusion or disposition of the appropriation bill now before the House it shall be in order to take up and consider what is known as the daylight-saving bill.

Mr. MADDEN. Mr. Speaker, I object. Mr. SIMS. I want to make a statement.

Mr. MADDEN. The finance corporation bill is coming in.

Mr. SIMS. This will take but one hour.

Mr. MADDEN. I object.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. Sims] asks unanimous consent that at the conclusion of the legislative, executive, and judicial appropriation bill it shall be in order to consider what is known as the daylight-saving bill. Is there objection?

Mr. MADDEN. I object.

### EXTENSION OF REMARKS.

Mr. HEFLIN. Mr. Speaker, I made the request that I might be permitted to extend my remarks in the Record, and there were several others who did so. Was there objection?
The SPEAKER pro tempore. The gentleman from Massachu-

setts [Mr. Walsh] made an objection.

Mr. HEFLIN. Did he object to others? The SPEAKER pro tempore. He did not. Mr. WALSH. I withdraw the objection.

The SPEAKER pro tempore. The gentleman from Alabama [Mr. Hefun] asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

PRACTICE AND PROCEDURE IN FEDERAL COURTS.

Mr. WEBB. Mr. Speaker, I desire to call up the bill H. R. 9354, to amend the practice and procedure in Federal courts, and for other purposes, and I propose to yield five minutes to the gentleman from Arkansas [Mr. Caraway] to explain it, and then I intend to move to adjourn.

The title of the bill was read.

Mr. WEBB. Mr. Speaker, I yield five minutes to the gentleman from Arkansas [Mr. CARAWAY].

The SPEAKER pro tempore (Mr. Sherley). Does the gentleman from North Carolina ask unanimous consent to dispense with the first reading of the bill?

Mr. WEBB. I do.

The SPEAKER pro tempore. The gentleman from North Carolina asks unanimous consent to dispense with the first reading of the bill. Is there objection?

There was no objection.

The SPEAKER pro tempore. The gentleman from Arkansas [Mr. CARAWAY] is recognized for five minutes.

Mr. CARAWAY. Mr. Speaker, I shall want but one minute

of that time.

The bill seeks merely to limit the right of Federal judges in the trial of causes submitted to juries. In some jurisdictionsat least, it is true of my own-the court elects to give his personal opinion as to the credibility of witnesses and the weight of testimony, and it was thought that it invaded the province of the jury. This bill seeks to correct that, and to make the judge confine his instructions to the law applicable to the case.

That is all I want to say at this time.

### ADJOURNMENT.

Mr. WEBB. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p. m.) the House adjourned until to-morrow, Thursday, March 7, 1918, at 12 o'clock noon.

### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting

copy of a communication from the Commissioners of the District of Columbia submitting a supplemental estimate of appropriation required for three additional clerks in the office of the collector of taxes of the District of Columbia for the fiscal year 1919 (H. Doc. No. 964); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of State submitting a supplemental estimate of appropriation for the contribution of the United States toward the maintenance of the Interallied Institute for the Restoration and Reeducation of Crippled Soldiers (H. Doc. No. 965); to the Committee on Appropriations and ordered to be printed.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows

Mr. RAYBURN, from the Committee on Interstate and Foreign Commerce, to which was referred the joint resolution (S. J. Res. 133) authorizing the granting of insurance under the act entitled "An act to authorize the establishment of a Bureau of War-Risk Insurance in the Treasury Department," approved September 2, 1914, as amended by the act approved October 6, 1917, on application by a person other than the person to be insured, reported the same without amendment, accompanied by a report (No. 358), which said joint resolution and report were referred to the House Calendar.

Mr. DECKER, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 9715) extending the time for the construction of a bridge across the Bayou Bartholomew, in Ashley County, Wilmot Township, State of Arkansas, reported the same with amendment, accompanied by a report (No. 359), which said bill and report were referred to

the House Calendar.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials

were introduced and severally referred as follows:
By Mr. ROGERS: A bill (H. R. 10522) authorizing the Secretary of War to reimburse officers, enlisted men, and civilian em-

ployees in the Military Establishment for certain disbursements while on furlough necessitated by disabilities originating in the service and in line of duty; to the Committee on Military

By Mr. MILLER of Minnesota: A bill (H. R. 10523) to establish an American recreation camp for commissioned officers, soldiers, and sailors on duty overseas; to the Committee on Mili-

tary Affairs.

By Mr. OSBORNE: A bill (H. R. 10524) amending an act entitled "An act authorizing and directing the Secretary of the Interior to sell to the city of Los Angeles, Cal., certain public lands in California; and granting rights in, over, and through the Sierra Forest Reserve, the Santa Barbara Forest Reserve, and the San Gabriel Timberland Reserve, Cal., to the city of Los Angeles, Cal.," approved June 30, 1906; to the Committee on the Public Lands.

By Mr. CARY: A bill (H. R. 10525) to authorize and direct the Postmaster General to procure postal cars and contract for hauling them, and appropriating money therefor; to the Com-

mittee on the Post Office and Post Roads.

By Mr. McFADDEN: A bill (H. R. 10526) providing for partial payments of war excess-profits taxes; to the Committee on

Ways and Means,

By Mr. BAER: A bill (H. R. 10527) to provide for the national security and defense and further to assure an adequate supply of food, by authorizing the Secretary of Agriculture to contract with farmers in certain areas for the production of grain through advances, loans, and otherwise, and by providing for the volun-tary mobilization of farm labor, and for other purposes; to the

Committee on Appropriations.

By Mr. CARY: Joint resolution (H. J. Res. 260) proposing an amendment to the Constitution for the election of Representatives for a four-year instead of a two-year term; to the Committee on Election of President, Vice President, and Represen-

tatives in Congress

By Mr. EDMONDS; Resolution (H. Res. 266) authorizing the printing as a House document the proceedings of the foreign war missions; to the Committee on Printing.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANTRILL: A bill (H. R. 10528) granting an increase of pension to Patton Coomer; to the Committee on Invalid Pen-

By Mr. CARY: A bill (H. R. 10529) granting a pension to Mrs. Frank Schultz; to the Committee on Pensions.

By Mr. ELSTON: A bill (H. R. 10530) granting a pension to Sarah E. McCaleb; to the Committee on Invalid Pensions.

By Mr. GANDY: A bill (H. R. 10531) granting a pension to Paul J. Flynn; to the Committee on Pensions.

By Mr. GODWIN of North Carolina: A bill (H. R. 10532) granting an increase of pension to Uriah T. Alley; to the Committee on Invalid Pensions.

By Mr. GRIEST: A bill (H. R. 10533) granting a pension to Sarah C. Frankford; to the Committee on Invalid Pensions.

By Mr. LONGWORTH (for Mr. Heintz) A bill (H. R. 10534) granting a pension to Warren W. Kendall; to the Committee on Pensions.

Also, a bill (H. R. 10535) granting a pension to Louis Brockman; to the Committee on Pensions.

Also, a bill (H. R. 10536) granting a pension to Laura A. Duncan; to the Committee on Invalid Pensious.

By Mr. McANDREWS: A bill (H. R. 10537) granting an increase of pension to John K. McBain; to the Committee on

Invalid Pensions. By Mr. McCLINTIC: A bill (H. R. 10538) granting an increase of pension to Edward W. Lauck; to the Committee on Invalid Pensions.

By Mr. McCULLOCH: A bill (H. R. 10539) granting a pension to Harry C. Miller; to the Committee on Invalid Pensions.
Also, a bill (H. R. 10540) granting an increase of pension to

Daniel H. Harter; to the Committee on Invalid Pensions, By Mr. MUDD: A bill (H. R. 10541) granting an increase of pension to Columbus Sampson; to the Committee on Invalid

Pensions By Mr. NEELY: A bill (H. R. 10542) granting an increase of pension to Edward W. Lauck; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10543) granting a pension to Michael Mulvey; to the Committee on Pensions.

By Mr. RUSSELL: A bill (H. R. 10544) granting an increase of pension to John Wesley Melton; to the Committee on Invalid Pensions.

By Mr. SELLS: A bill (H. R. 10545) granting an increase of pension to William A. Campbell; to the Committee on Invalid Pensions

By Mr. WALDOW: A bill (H. R. 10546) granting a pension

to George Plewacki; to the Committee on Pensions.

By Mr. WELTY: A bill (H. R. 10547) granting a pension to Henry M. Agenbroad; to the Committee on Pensions.

### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CAREW: Memorial of New York Zoological Society, favoring migratory bird treaty act; to the Committee on Foreign Affairs

By Mr. DALE of New York: Memorial of the American Defense Society (Inc.), urging that the charter of the German-American Alliance be taken away; to the Committee on the

Also, memorial of Public Service Commission, second district, State of New York, urging the protection of the State commissions in their right to regulate intrastate rates; to the Committee on Interstate and Foreign Commerce.

Also, a memorial of the Boise Commercial Club, favoring House bill 9928; to the Committee on Interstate and Foreign Commerce.

Also, resolution of Yavapai County Chamber of Commerce, opposing the Foster bill placing the mining industry under Federal control; to the Committee on Mines and Mining.

Also, memorial of Trumbull County tax map department, Warren, Ohio, favoring the bill granting pensions to members of the Life-Saving Service; to the Committee on Interstate and Foreign Commerce.

Also, memorial of Springfield Chamber of Commerce, opposing any increase in second-class postage at present and opposing a zone system at any time; to the Committee on Ways and Means.

By Mr. DOOLING: Petition of the Merchants' Association of New York, favoring Overman bill (S. 3771) for creation of a board of war control and a director of munitions; to the Committee on Military Affairs.

By Mr. FOSTER: Petition of Grand Army of the Republic post,

Noble, Ill., asking for increase of pension to Civil War veterans; to the Committee on Invalid Pensions.

By Mr. FULLER of Illinois: Petition of the National Live Stock Association, the Chamber of Commerce of Kansas City, the Western Oil Jobbers' Association, the Western Petroleum Refiners' Association, and the National Petroleum Association, opposing taking the rate making from the Interstate Commerce Commission; to the Committee on Interstate and Foreign Com-

Also, petition of Henry Ream, Otto Lauer, jr., Herman Kuester, Andrew Hebel, and Joseph J. Lennig, of Peru, Ill., favoring universal military training; to the Committee on Military

By Mr. GRAHAM of Pennsylvania: Resolution of the war shipping committee of the chamber of commerce, urging prompt action looking to the early construction of much-needed dry-dock facilities; to the Committee on the Merchant Marine and Fish-

By Mr. McARTHUR. Petition of U. S. Grant Post, No. 17, Department of Oregon, Grand Army of the Republic, favoring increase in pensions of G. A. R. veterans; to the Committee on Invalid Pensions

By Mr. SABATH: Memorial of the board of governors of the Investment Bankers' Association of America, favoring the principles of the war finance corporation bill and suggesting certain

changes to be made in it; to the Committee on Ways and Means.

Also, petition of the Woman's Association of Commerce of Chicago, protesting against any scale of pay which does not give equal pay for the same work, against an insufficient wage scale, against a longer working-day than eight hours, and pledging support to all efforts to secure better conditions for working women; to the Committee on Labor.

Also, resolution of the New York Zoological Society, favoring the migratory-bird treaty law; to the Committee on Foreign Affairs.

Also, resolution of the Chicago Typographical Union, No. 16, favoring the Sherwood pension bill for the benefit of all American workers; to the Committee on Pensions.

By Mr. SNOOK: Papers to accompany H. R. 9245, relative to military record of William L. Wiles; to the Committee on Military Affairs.

By Mr. STINESS: Petition of Dorothy French and numerous other citizens of Rhode Island, praying that better parcel-post rates be provided for packages sent to the American Expedi- Pittsburgh, Pa., praying for an appropriation for the early

tionary Forces in France; to the Committee on the Post Office and Post Roads.

Also, petition of Typographical Union, No. 33, of Providence. R. I., favoring the passage of the so-called Keating bill, granting increased compensation to Federal employees; to the Committee on Appropriations.

By Mr. TEMPLE: Papers to accompany H. R. 10355, granting an increase of pension to Robert T. Parkinson; to the Committee on Invalid Pensions.

By Mr. TILSON: Petition of Meriden (Conn.) Branch, No. 154, United National Association Post Office Clerks, in behalf of H. R. 9414; to the Committee on the Post Office and Post Roads.

### SENATE.

## THURSDAY, March 7, 1918.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer

Almighty God, Thy kingdom is an everlasting kingdom. Thy mercies extend to all generations. Thou art not a respecter of Thou dost embrace all mankind in Thy loving-kindness and in Thy favor. We are saddened by the sinfulness of men. We are perplexed by evil influences that are constantly about Many are impelled by selfish motives and pride. We pray that Thy Holy Spirit may sanctify the hearts of the people to respond more fully to the Divine will, that we may walk in Thy way and accomplish all of Thy Divine purpose in us as a

Nation. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Tuesday, March 5, 1918, when, on request of Mr. Frelinghuysen and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### SENATOR FROM NEW JERSEY.

Mr. FRELINGHUYSEN. Mr. President, I have received from the governor of my State credentials appointing Mr. David Baird a Senator to fill the vacancy in the Senate occasioned by the death of my late colleague, Senator Hughes. I send the credentials to the desk and ask that they be read and placed on the files of the Senate.

The PRESIDENT pro tempore. The Secretary will read the credentials.

The credentials were read and ordered to be filed, as follows:

STATE OF NEW JERSEY, EXECUTIVE DEPARTMENT.

To the President of the Senate of the United States:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of New Jersey, I, Walter E. Edge, the governor of said State, do hereby appoint David Baird a Senator from said State to represent said State in the Senate of the United States until the vacancy therein caused by the death of William Hughes is filled by election, as provided by law.

Witness: His excellency our governor, Walter E. Edge, and our seal hereunto affixed at Trenton, this 23d day of February, A. D. 1918.

[Seall.]

Walter E. Edge,

Governor, To the President of the Senate of the United States

By the governor:

THOMAS F. MARTIN. Secretary of State.

Mr. FRELINGHUYSEN. Mr. President, Mr. BAIRD is present in the Chamber, and I ask that the oath be now administered to him.

The PRESIDENT pro tempore. The Senator appointed will come forward and the oath will be administered to him.

Mr. Baird was escorted to the Vice President's desk by Mr.

Frelinghuysen; and the oath prescribed by law having been administered to him, he took his seat in the Senate.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the bill (S. 383) to punish the destruction or injuring of war material and war transportation facilities by fire, explosives, or other violent means, and to forbid hostile use of property during time of war, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

## PETITIONS AND MEMORIALS.

Mr. KNOX presented a petition of the Woman Suffrage Party of the twenty-third legislative district of Philadelphia County, Pa., and a petition of Local Union No. 541, International Association of Machinists, of New Kensington, Pa., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which were ordered to lie on the

He also presented a petition of the Chamber of Commerce of